

28th August, 2024

To

BSE Limited,
25th Floor,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai: 400 001

National Stock Exchange,
Exchange Plaza,
5th Floor, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra(E),
Mumbai: 400051

Dear Sir,

Sub: Annual Report for the Financial year 2023-24

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith Annual Report for the financial year 2023-24 along with Notice of AGM to be held on 19th September, 2024.

For Johnson Controls-Hitachi Air Conditioning India Limited

Parag Dave
Company Secretary

—

Refresh your world with new air



Annual Report 2023-2024

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. 30th June, 2023)

Sanjay Sudhakaran
Managing Director
(w.e.f. 1st July, 2023)

Yoshikazu Ishihara
Director

Shalini Kamath
Independent Director

Ashok Balwani
Independent Director
(up to 31st March, 2024)

Mukesh Patel
Independent Director
(up to 31st March, 2024)

Raman Madhok
Independent Director
(w.e.f. 1st April, 2024)

Anil Shankar
Independent Director
(w.e.f. 30th July, 2024)

Arpit Patel
Independent Director
(w.e.f. 1st October, 2023 to
21st May, 2024)

Gurmeet Singh
Chairman & Managing Director
(up to 30th June, 2023)

Tatsuya Sugawara
Director
(up to 30th June, 2023)

Chief Financial Officer

Rishi Mehta

Company Secretary

Parag Dave

Auditors

Price Waterhouse & Co
Chartered Accountants LLP
Ahmedabad.

Registrars & Share Transfer Agent

Link Intime India Pvt. Ltd.
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.

Registered Office

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

Works

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

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 India Limited is a subsidiary of this global joint venture. The Company 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, and Telecom Air Conditioners, under the brand name '**Hitachi Cooling & Heating**'.

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 honour the commitments we make.

Purpose-led

We are driven to do good and be accountable for 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 to create the purposeful solutions that propel the world forward.

—
A Note from the
Managing Director



A NOTE FROM THE MANAGING DIRECTOR

COMPANY OVERVIEW

Dear Shareholders,

I hope this message finds you in good health and high spirits. I am pleased to present to you the Annual Report for the Fiscal Year 2023-24. I am filled with a sense of gratitude to share that your company has proven its resilience and is on a path to a strong recovery.

Looking back on Fiscal Year 2024

India continues to be the fastest growing major economy in the world and well positioned to become a \$5 trillion economy. Such economic growth requires sustained investments into infrastructure development, including development of roadways, railways, metros, healthcare and facilities and educational institutions. Government of India's commitment to such capital investments is evident from its National Infrastructure Pipeline (NIP) combined with its push for localization through Make-in-India and Production Linked Incentives (PLI). In the year gone by, these investments along with revival of services sector, benign inflation and softening commodity prices have given a boost to Indian manufacturing industry.



While weather fluctuations sometimes resulting in unseasonal rains or scorching summers have become more frequent, Indian Air Conditioning industry continues to witness steady growth supported

by several macroeconomic tailwinds. While the penetration of air conditioning in Indian households has been low, the industry gets its boost from several factors such as increasing disposable incomes, stable power supply, increased affordability of high efficiency air conditioners through easy financing options and growing adoption of e-commerce for large appliances to name a few.

In the year under review, Government of India has implemented Quality Control Order (QCO) in specific air conditioning categories and components starting 1st October, 2023 with the goal of ensuring availability of high quality products to Indian consumers. While in the short run this has caused some challenges in importing certain components from overseas suppliers but over a long-run, QCO is certainly expected to improve not only the manufacturing quality standards in the country but also the perception and value of 'Made in India' products.

Our performance:

In the year under review, the Company's revenue declined by 19.5%, from ₹23,844 million to ₹19,187 million. The company incurred a loss of ₹722 million against a loss of ₹896 million last year.

In the first half of the year, the Room Air Conditioning business was under pressure due to unseasonal rains and delayed onset of summer in North India where the company has much higher presence. The commercial air conditioning business has experienced challenges in importing certain components due to the implementation of QCO norms.

Beginning Q3, the company has initiated a turnaround strategy focused on three key pillars of operational excellence: go-to-market, quality and cost excellence. The first step to this turnaround strategy was to put in place a focused go-to-market organization which was achieved through careful restructuring. As part of this focused organization, domain expertise-based verticals have been created resulting in improved planning, faster decision making and execution. This go-to-market strategy also drove sales excellence by developing a ground-up channel strategy, clear product positioning and price laddering for retail channel. This strategy has also focused on disciplined sales management and targeted spends. Overall, with

a combination of these actions, the go-to-market strategy helped significantly improve channel advocacy, price stability and overall customer satisfaction.

Cost excellence initiatives focused on identifying opportunities for cost optimization across the operations with a zero-based costing mindset. These initiatives have helped improve product competitiveness and streamline processes. The quality excellence team drove initiatives with a holistic view towards quality. Five workstreams focusing on supplier quality, design, manufacturing quality, process improvements and field quality have been launched. These activities have reinforced a culture of continuous improvement and provided a sustainable base for the turnaround strategy.

The resilience of the company's business model and the effectiveness of the turnaround strategy started to show in the stellar financial results of Q4. Revenue in Q4 has grown by 41% from ₹5499 million last year to ₹7748 million this year. Profit before tax has grown from ₹21.6 million in Q4 last year to ₹651 million this year, indicating a healthy revival of the company's business. In addition, robust inventory and cash management during the year 2023-24 has helped company repay entire borrowings (working capital loans) of ₹1,430.3 Million as at 31st March, 2023 and ending the year with a healthy cash balance of ₹718.2 Million including fixed deposits of ₹160.0 Million as at 31st March, 2024.

With India established as a dependable hub, the company continued to strengthen its presence in South Asian countries – Nepal, Bhutan, Bangladesh, Sri Lanka, and Maldives. Despite the economic and political instability in some of these markets, we have been able to establish a channel network and support them with training and marketing activities to keep a healthy momentum.

Overall, it gives me a sense of great pride to summarize the business performance of the company in the financial year as one exhibiting strong recovery and robust turnaround. I would like to express my sincere gratitude to our dedicated employees, valued customers, trusted suppliers and several internal and external stakeholders, who have remained steadfast with us as we went through this transition.



Staying the course

As we look ahead, we are very encouraged by what we have been able to accomplish in a short period. We carry this momentum into FY25 and continue our focus on our three key pillars of strategy – strengthening go-to-market, driving cost excellence and reinforcing the quality culture. In addition, we shall continue to invest in developing feature-rich, premium products that our customers value and which will drive us to grow faster than the market. To achieve this, we shall continue our focus on building organizational capabilities by infusing new talent and strengthening operational efficiencies through targeted investments in digitization.

I would like to once again express my sincere gratitude to all the stakeholders for their unwavering trust in us and I look forward to a great year ahead.

Warm regards,

Sanjay Sudhakaran
Managing Director

Pinnacle of Innovation: new air



At Hitachi, we are committed to excellence and innovation in the HVAC industry, continuously pushing boundaries to offer a fresh perspective. Our solutions are more than just products—they embody a blend of Japanese engineering prowess and deep-rooted cultural heritage. This fusion creates a unique experience that transforms how we perceive air conditioning.

Introducing **new air** a testament to our dedication to superior quality and advanced technology. With three decades of expertise, we ensure that every Hitachi product meets and exceeds expectations. Our commitment to quality is reflected in the advanced features, cutting-edge technologies, and elegant designs that enhance comfort and aesthetics, forging a deeper emotional connection with our customers.

new air represents the innovation we bring to the market, featuring smart, IoT-enabled indoor units, outdoor units, and remotes—all seamlessly integrated into one solution. This innovation improves air quality, saves energy, and ensures that our products maintain themselves while nurturing the air around you.

Embracing our groundbreaking offerings, **new air** is a reflection of Hitachi's core values: efficiency, comfort, and simplicity. It's how we connect with people, enhance their living spaces, and bring a touch of harmony to their lives.

Step into a world of extraordinary air conditioning. Welcome to Hitachi's **new air**, where tradition meets innovation for an unparalleled experience.

The Innovations in air: Our Products

Air Conditioning Solutions for Residential Spaces

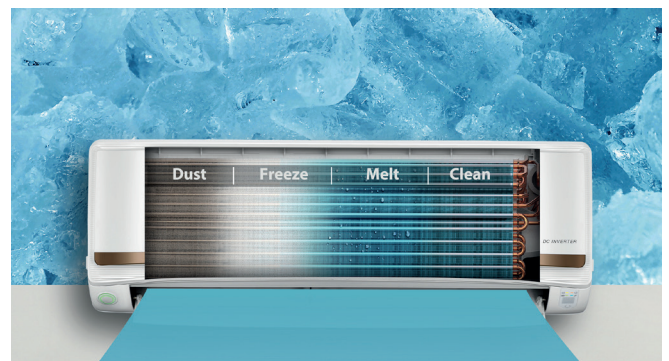


Our room air conditioner portfolio includes highly energy efficient and feature-rich Split AC and Window AC models. The company has curated an extensive selection of residential air conditioners with a portfolio of over 100 SKUs packed with innovative and customer-centric features that are manufactured in our state-of-the-art facility in Kadi, Gujarat. The new airHome series of split air conditioners launched in 2023 brought artistic delight to Indian homes with newly designed indoor and outdoor units and stylish remote controller.

The new signature airHome series of room air conditioners has been meticulously designed based on a duality design philosophy, harmonizing contrasting elements to achieve architectural perfection. Inspired by this duality, the new indoor unit features a dual surface finish, a dual-panel appearance, and dual gold and platinum colors. Setting the highest standards in air conditioner design for living spaces, the company presents a curvier design with an iconic wave pattern across all indoor, outdoor, and remote units. The units are finished in a durable star white color with UV coating for long-lasting aesthetics. The quality

test on new split AC models have been increased from 43 to 71 types to increase product reliability and performance

This unique piece of art transforms a house into a home, creating a joyful living space. The airHome series is crafted with top customer needs in mind,



including cooling, cleanliness, and energy efficiency. It is equipped with advanced technology to enhance indoor living convenience. Our renowned FrostWash technology automatically cleans the indoor unit's AC coil at the press of a button, ensuring not only that the user experiences clean air every time but also the unit's performance and efficiency is maintained over the years. This technology freezes trapped dust, melts it away, and cleans the coil, providing fresh air consistently. It maintains the cooling performance of the unit and removes mold, bacteria, and dust from the AC coil. Additionally, the unit is cleaned after each use with our unique soft-dry technology.



Further advancing air purification, Hitachi has introduced AQtiv-Ion, a built-in ionizer that releases negatively charged particles to bind with pollutants in the air. The AC offers surround cooling, reaching up to 24 m (1050 mm chassis) to uniformly cover large spaces, ensuring comfort even at a distance for available models. Hitachi's previous technology has been enhanced into Xpandable+, a smarter system

that auto-expands or adjusts according to the need. It is optimized for tropical climates and adaptable to changing room requirements to expand or adjust as per the number of people inside the room, ambient temperature, or load conditions.

The Xpandable* derives its intelligence from Hitachi's Hexa sensor technology, which adaptly senses comfort needs while safeguarding the machine. Enhancing this innovation, Hitachi introduces the airCloud Home, a Wi-Fi-enabled AC series. The airCloud Home series not only features voice control but also incorporates Smart-Fence technology, which geolocates users and automatically switches the unit on or off as they enter or leave the room. This allows for seamless connectivity and monitoring of your air conditioner from anywhere, at any time.

Inspired by the changing seasons, Hitachi's Ambience Light is an exciting new product range. The Ambience Light is an immersive display on the AC that enables consumers to perfectly tune their desired temperature and comfort level. This feature offers three specific colors: cool blue for a cool ambience, comfort green for a comfortable ambience, and warm red for a warm ambience. Ambience lighting provides ultimate flexibility and comfort, allowing consumers to easily set their preferred ambience with just one glance.



The new remote control is not only an aspirational design with its unique wave curve but also includes innovative features. It has night-glow buttons for easy access in the dark, colorful buttons for quick access to popular technologies or features, and a range of up to 11 m. The 'My Mode' button on the remote personalizes the experience for users with three customizable settings, making it hassle-free to operate the AC. 'My Mode' also remembers the individual preferences of up to 3 users.

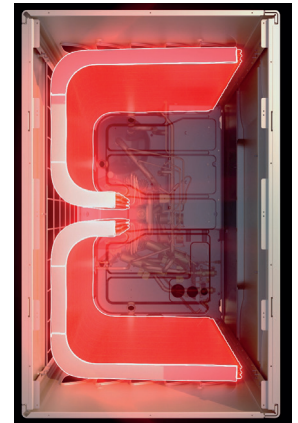
The new outdoor unit, with its iconic wave curve and global design, offers enhanced safety and efficiency features, ensuring superior performance in the market.

Air Conditioning solutions for commercial spaces:

Commercial air conditioning market in India has been driven by sustained investments into infrastructure development both by the Government and private sectors especially into airports, metro stations, malls, office buildings etc. These investments have created

significant opportunities for the growth of the VRF air conditioner market in India. The company offers a comprehensive range of VRF air conditioning systems that cater to commercial, light commercial, and residential needs.

Our VRF SET FREE Σ, has gained substantial acceptance in the Indian market. It features a single base module of up to 24 HP and a module combination of up to 96 HP. The VRF SET FREE Σ series is equipped with high-efficiency DC inverter compressors, providing precise frequency control in increments of 0.1 Hz with 110 steps. In addition to precision compressor control, it includes a Σ-shaped heat exchanger, dual fans to increase air volume, and a new bell-mouth fan housing design. All electrical and electronic components are seamlessly integrated with a precise microprocessor, collectively acting as energy enhancers to achieve best-in-class efficiency even under partial load conditions, and operating effectively at ambient temperatures up to 52°C.



Recognizing the increasing demand for VRF systems in high-end residential and light commercial complexes, the company has introduced the SET FREE mini series of VRF units in 2020. The SET FREE mini is a compact, power-packed VRF system, ideal for small spaces and premium homes. Customers benefit from a selection of eight different types of indoor units and five types of controllers. The outdoor unit capacity ranges from 3 HP to 7 HP, offering a space-saving advantage over traditional one-to-one split ACs with multiple outdoor units serving similar needs. Additionally, the SET FREE mini's outdoor units can connect indoor units up to 130% or more of the ODU capacity, based on diversity and usage patterns.



In 2021, the company introduced SideSmart™, a product featuring leading-edge design and technology. This exclusive solution offers cutting-edge performance, comparable to large top-flow units, with slim outdoor units that can fit anywhere. Hitachi takes pride in SideSmart™, the world's first side-flow VRF ODU with a base module capacity of up to 18 HP. The modular design of SideSmart™ allows it to connect up to 72 HP. It's easy-to-maintain, award-winning design and aesthetics enable the slim outdoor unit to fit into dense spaces such as balconies, providing more space utility to customers. The product has been globally recognized for its design excellence, receiving international 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.

In the light commercial packaged air conditioner segment, the company has introduced the Takumi Smart, an inverter ductable air conditioner utilizing

environmentally friendly R410A gas. This new model features built-in airCloud Go, a Wi-Fi-enabled system that allows users to connect and control the unit via a mobile device from anywhere at any time. With Takumi Smart, users can now connect Hitachi VRF models and Takumi Smart units to a single airCloud Pro unit, enabling unified control of both systems.

In addition to the features of the Toushi Pro ductable units, the Takumi Smart offers enhanced safety, sustainability, reliability, and health benefits. The company continues to provide a range of air conditioning solutions, including Toushi Pro ductable air conditioners, Flexi Split ACs, concealed ACs, and both inverter and fixed-speed cassette ACs. The Flexi Split system is another innovative solution, allowing one outdoor unit to be connected to various indoor unit options, such as ductables, Hi Wall, and cassette types, to meet diverse architectural and interior requirements.

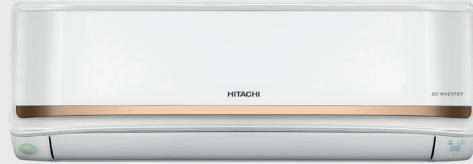


Residential Air Conditioners

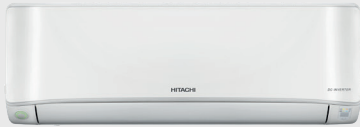
----- airHome - Split AC Inverter Series -----



Yoshi | よし



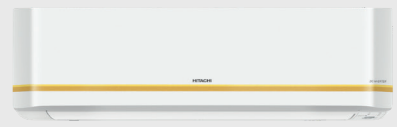
iZen | 怡然



iKasu | いかす



Toshi+ | 闘士



Hot & Cold Series

Shizen | 自然

----- airHome - Split AC Fixed Speed Series -----



Senpai | 先輩



Logicool Pro

----- Window AC Series -----



Remote Control



Kaze Plus | 風
(Fixed Speed AC)



Shizuka | 静か
(Inverter AC)

Variable Refrigerant Flow system

Outdoor Unit



SET FREE Σ

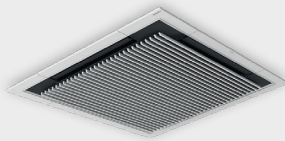


air365 SideSmart™

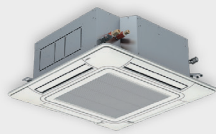


SET FREE mini

Indoor Unit



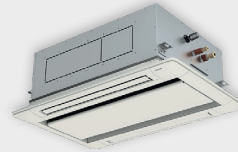
Silent-Ionic™
4-way Cassette type



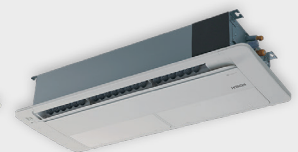
4-way Cassette type



4-way compact Cassette type



2-way Cassette type



1-way Cassette type



Hi Wall



Floor/Ceiling convertible

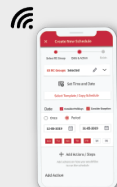


In-the-ceiling

Controller



Advanced colored wired remote controller



airCloud Pro



Wireless remote control



Touch screen wired control



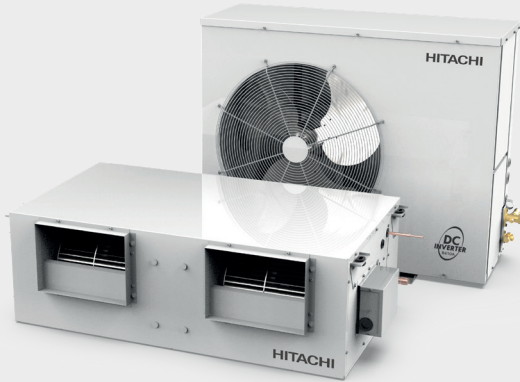
Advanced wired remote control



Central station mini

Package Air Conditioners

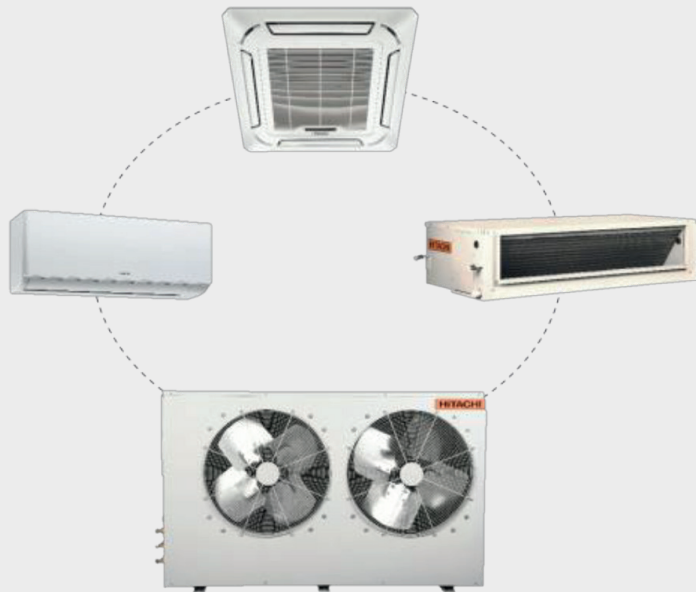
----- Ductable air conditioner -----



Takumi Smart Inverter AC



Toushi Pro Fixed Speed AC



Flexi split AC

----- Ductless air conditioner -----



Concealed split AC



Cassette AC

Strengthening Channel Connect

Channel partners form a core element of our growth strategy and our strong connect with our partners has been a critical part of our success story over the years. In the year gone by, we have continued on this path of deepening the relationship with our channel partners and to this effect, we have successfully conducted engagement activities with over 5,000 partners through 53 distributor meets. As part of these meets, channel partners received comprehensive product training on the new product line-up along with detailed information on various promotional activities and offers such as our unique 5-Year comprehensive warranty and numerous consumer finance options.

As the penetration of air conditioning continues to get stronger in the Tier-2, 3 towns and beyond, our strong network of channel partners allow us to bring our products closer to the customers across the country. In the year under review, the company has also undertaken several activities and initiatives focused on improving the ease of doing business for the channel partners. These initiatives were strategically aligned with the overall objective of building confidence among the channel partners to effectively promote our products and helped in strengthening the connect.



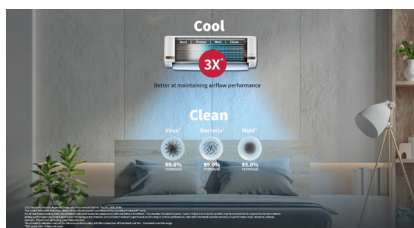
Participation in Industry Events

In the year gone by, the company has actively collaborated with multiple channel partners to participate in product expos, conferences, exhibitions in the HVAC industry. Our participation in these events has enabled us to strengthen our direct connect with industry stakeholders and customers. These events were also crucial for strengthening our brand equity and play a significant role in building and nurturing relationships within the industry.

Skill Development

Training and skill development form an integral part of our ambition to be a 'Great Place to Work'. Over the years, our investments into providing technical, behavioral and functional skill development opportunities have not only helped in strong productivity gains but also helped improve employee satisfaction and engagement. Training and skill development initiatives for field sales and serve technicians and plant operators are critical for our ability to deliver on robust customer experience satisfaction. In addition to the traditional classroom training, the company has conducted several online training sessions, developed easy to access short-format videos explaining product features and long-format training content for self-paced learning.

The company has also invested significantly to enhance the plant operator skill by sponsoring their training at our state-of-the-art manufacturing facilities in Japan. As part of this program, our operators were stationed in Japan for several months and worked alongside their Japanese counterparts. Such unique skill building opportunity was deeply appreciated by the participants.



Digital Marketing Activities

The customer's buying journey is undergoing a clear shift. Today's customers rely more heavily on digital platforms to learn about a product, its features, compare with other products and eventually decide on which one to buy. With digital tools and platforms taking a significant role in the customer buying process, the company has invested into expanding its digital presence by creating captivating brand and

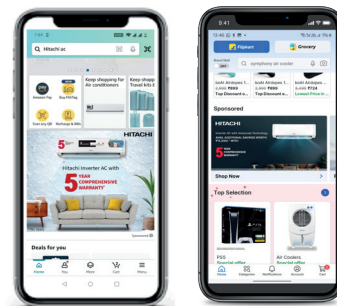
product creatives targeting several digital properties including e-commerce platforms. Digital campaigns on e-commerce platforms, search engines, and banner advertisements on various websites, blogs, news, and entertainment sites provided a widespread online presence.

The company has also taken up several initiatives to extend support to channel partners on social media by developing creative posts to enhance awareness and engagement. The channel partners have appreciated the support provided by the company through an innovative WhatsApp Campaign as it helped our partners reach out to their customer base.

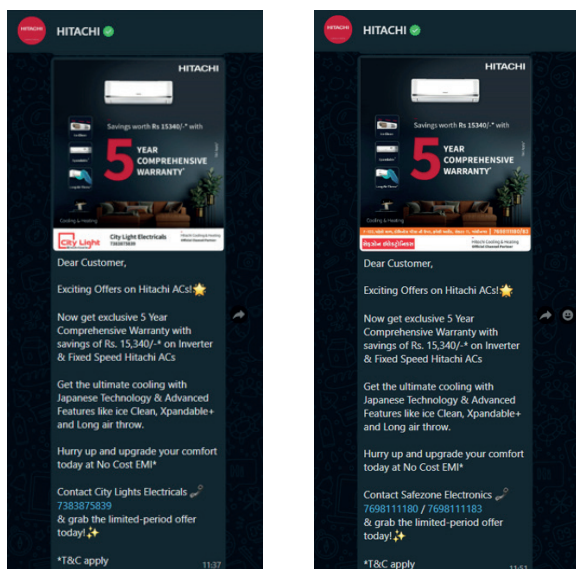
Digital Creatives



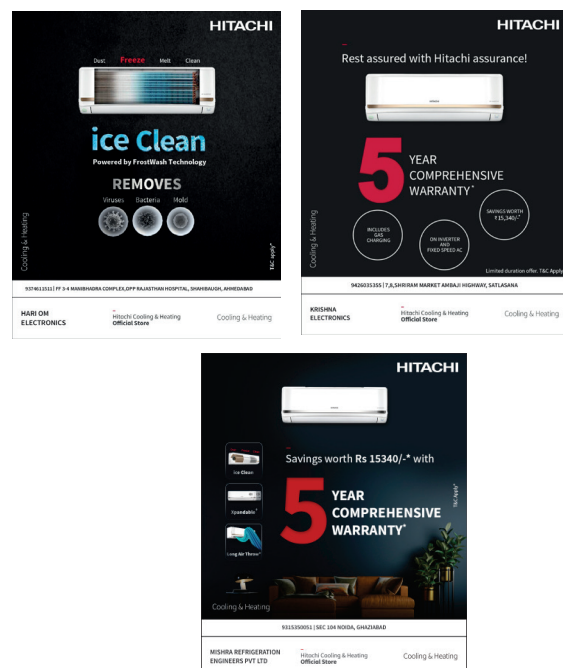
E-commerce Search Display Creatives



WhatsApp Creatives



Dealer Creative Activity

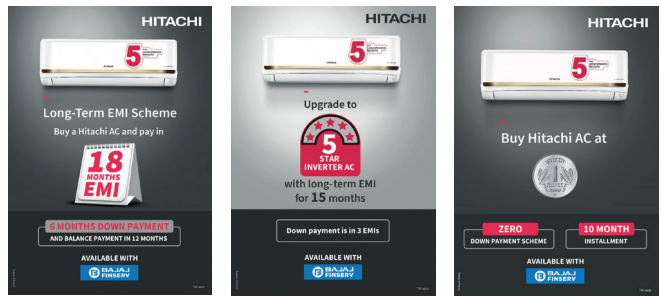


Enhanced Retail Experience

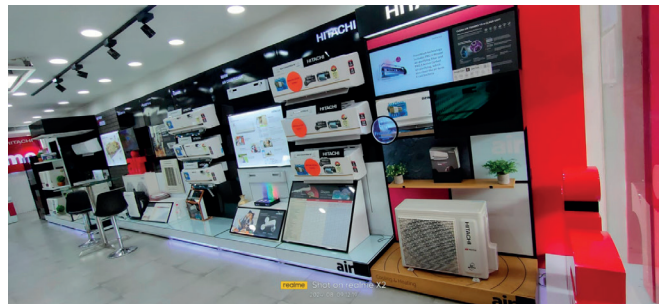
The company undertook a comprehensive revamp of the exclusive retail stores, showcasing the entire product range, product features, and latest technology. Recognizing the importance of effective product displays in retail shops, the company ensured that the stores provided an engaging and informative customer experience.

In addition to this, the company extended efforts to multibrand channel outlets by providing them with promotional marketing materials and in-store displays to improve brand presence. These initiatives ensured a cohesive and effective brand presence across various retail platforms, enhancing overall customer engagement and experience.

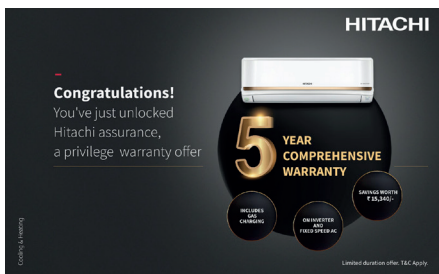
Offer Leaflets



Retail Display



Privilege Cards



Standees



Giving Back to Society

The CSR initiative of the company focused on augmenting rural health in the precincts of the plant which is in the hinterland of rural Gujarat. The company continued to drive two health projects, the benefits of which accrued to more than 50,000 rural populace in 13 villages.

Sanitary Napkin Project:

This project aims at improving the health, wellness and lives of women in the villages around the immediate vicinity of manufacturing facility. Due to poverty and cultural constraints, the use of sanitary pads is not widely prevalent which not only leads to rising health concern but also prevents young girls and women from attending schools and exploring their full potential. This project envisaged provision of up to 8 free sanitary napkins per month to the needy female population in the identified area. During the year more than 3,00,000 sanitary pads were distributed to the target population in 13 villages and schools, through a sanitary napkin unit set up under the CSR initiative and operated by trained local women bringing about considerable improvement in female health. The project was commended by the Government of Gujarat for making a significant contribution towards female health.

Primary Health Centre Karannagar:

This project augmented the Primary Health Centre of Karan Nagar village by providing an ambulance with driver and nurse to the underprivileged people to cater to tertiary care of nearly 40,000 populace of 12 villages in the precincts of the company's manufacturing facility in Kadi.



Felicitation by Health Minister of Gujarat, Mr. Rushikesh Patel for CSR activities

Board of Directors



Nobuyuki Tao
Chairman
(w.e.f. 30th June, 2023)



Sanjay Sudhakaran
Managing Director
(w.e.f. 1st July, 2023)



Yoshikazu Ishihara
Director



Shalini Kamath
Independent Director



Raman Madhok
Independent Director
(w.e.f. 1st April, 2024)



Anil Shankar
Independent Director
(w.e.f. 30th July, 2024)



Ashok Balwani
Independent Director
(Upto 31st March, 2024)



Mukesh Patel
Independent Director
(Upto 31st March, 2024)



Arpit Patel
Independent Director
(from 1st October, 2023
to 21st May, 2024)



Gurmeet Singh
Chairman and Managing
Director
(Upto 30th June, 2023)



Tatsuya Sugawara
Director
(upto 30th June, 2023)



DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Dear Members,

Your Directors hereby present the 39th Annual Report and the Audited Financial Statements, for the year ended 31st March, 2024.

Financial Highlights

The highlights of financial results of the Company for the year under review are given below:

Particulars	(Rs. in Million)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	19,187	23,844
Other Income	101	120
Total Revenue	19,288	23,964
Profit / (Loss) before finance cost, depreciation and tax	88	(68)
Finance Cost	166	75
Depreciation and amortization expenses	644	753
(Loss) before exceptional Items and tax	(722)	(896)
Exceptional Items	268	156
(Loss) before Tax	(990)	(1,052)
Tax expense	(233)	(231)
(Loss) for the year	(757)	(821)

20

Dividend

Considering losses during the year, your Directors do not recommend dividend for the year ended March 31, 2024.

Industry Outlook

Indian air conditioning industry has been on a path of steady growth. Several macro tailwinds such as rising disposable incomes, low penetration, improved quality and reliability of electricity supply continue to drive demand for room air conditioners. Further, improved consumer awareness of energy efficient cooling technologies and increased affordability through easy financing options, have made newer technologies more accessible to consumers. The buying pattern of consumers is also undergoing a shift as consumers become more comfortable ordering large appliances, such as air conditioners, online. The growth in e-commerce is therefore also expected to give additional boost to the industry.

India continues to be prone to changing weather patterns which often result in severe summers and unseasonal rains. Air conditioning industry continues its efforts to combat climate change by introducing higher efficiency air conditioning solutions with several smart features that provide better customization and control. These factors are expected to drive healthy growth of air conditioning industry in India.

The industry's dependence on imported components and raw material has traditionally been very high, which puts it at risk of any global supply chain disruptions. Government of India's push for Make in India supported by Production Linked Incentive (PLI) scheme has started to enhance the air conditioning component ecosystem in our country. Government of India has also implemented Quality Control Order (QCO) starting Oct 1st, 2023, which aims to ensure availability of quality products to consumers.

Overall, air conditioning industry is poised for a steady growth of 11 - 12% year on year, making it one of the most attractive industries in the consumer durables market.

Business Overview

During the financial year 2023-24, the company's revenue declined from ₹ 23,844 million to ₹ 19,187 million, representing a 19.5% decline. The company incurred a loss of ₹ 722 million against a loss of ₹ 896 million last year.

Delayed onset of summer and unseasonal rains in North India where the company has much higher presence have adversely affected the sale of room air conditioners in Q1 and Q2. The commercial air conditioning business has experienced challenges in importing certain components due to the implementation of QCO norms.

Beginning Q3, the company has initiated a turnaround strategy by first putting in place focused organization through careful restructuring. The turnaround strategy focused on three key pillars

of execution: go-to-market, product quality and cost excellence. Go-to-market strategy focused on ground-up channel planning, product positioning and price laddering for the retail channel. The strategy focused on disciplined sales management and targeted spends and it significantly improve channel advocacy, price stability and overall customer satisfaction.

The stellar financial results of last quarter of Financial year 2023-24 are a testament to the effectiveness of this turnaround strategy. Q4 revenue have grown by 41% from ₹ 5499 million last year to ₹ 7748 million this year. Profit before tax has grown from ₹ 21.6 million in Q4 last year to ₹ 650.6 million this year, indicating a very healthy revival of the company's business. In addition, robust inventory and cash management during the year 2023-24 has helped company repay entire borrowings (working capital loans) of ₹ 1,430.3 Million as at 31st March, 2023 and ending the year with a healthy cash balance of ₹ 718.2 Million including fixed deposits of ₹ 160.0 Million as at 31st March, 2024.

Room Air Conditioners

Indian Room Air Conditioning industry attracts significant interest due to several macro factors to its favor and continues to see intense competition. The company focuses on building strong customer base through a pipeline of innovative product offerings to cater to customer preferences.

The Company also focused on improving its reach through appointment of new distributors while strengthening its presence in the modern retail. Despite these efforts, the room air conditioning business contracted during the first two quarters of the year owing to delayed onset of summer and unseasonal rains in North India.

The steps taken as part of the turnaround strategy have started to revive the company's room air conditioning business and put it on right footing for strong growth.

Light Commercial Air Conditioners

Light Commercial air conditioning market in India was driven by investments into infrastructure development. Increasing Government spending into metro and railway networks, and private investments into hospitals, educational institutes, commercial and residential real estate, hospitality and data centers have been the major drivers of demand. In addition, the growth in premium housing and condominiums has started to drive the demand for VRF in high-end residential segment.

The company has an established channel network in all major cities to cater this demand and has taken several initiatives to strengthen the ease of doing business for the channel partners. The Company's commercial business in the year was however impacted by challenges in importing certain components due to the introduction of QCO norms. With the foundations intact, the company is poised to take advantage the high growth potential of the light commercial segment.

International Sales

In the past year, International Air Conditioning Sales business for Hitachi has strengthen its footprint in the South Asia market.

Focused countries were Bangladesh, Maldives, Sri Lanka, Nepal, and Bhutan. Company has demonstrated promising growth potential. Through strategic initiatives, Company has successfully

added new customers and established strong partnerships with key channel partners in each of these markets. Company has added over 50 new customers across various sectors, including commercial, healthcare, hospitality, manufacturing, residential, and government segments.

Company has partnered with 6 new channel partners, enhancing sales network and ensuring better market penetration. These new partners have contributed to Company's exports revenue. During the year 2023-24, the Company has focused on targeted marketing campaigns and localized solutions.

Risks, Concerns and Challenges

Raw Material price fluctuations

Fluctuations in raw material costs can lead to significant changes in component prices and can disrupt the supply chain, potentially straining the company's profitability. To mitigate this risk, the company has proactively developed a network of local vendors and implemented dual sourcing for key components.

Seasonality Risk

As an air conditioning product company, our business is inherently seasonal. Unfavorable and unforeseen events such as intermittent rains, wide-ranging temperature fluctuations, and supply chain disruptions can impact our operations. To mitigate the risk of lost opportunities or excess inventory, we have strengthened our demand and supply planning process that enables us to remain agile and responsive to seasonal variations.

Technology Changes

Globalization and post-pandemic experiences have significantly shifted consumer preferences, with an increasing demand for new products to incorporate smart and futuristic technologies. As a consumer-focused company, we continuously monitor technological advancements and regularly update our offerings. To avoid falling behind, we have a robust product development process that includes a 3-year roadmap for new products and upgrades, integrating customer insights, smart technologies, and regulatory requirements.

Government Policies

The company's core product business is highly dependent on government policies related to energy efficiency standards, environmental regulations, manufacturing standards, non-tariff barriers, incentives, anti-dumping duties, and taxes. These policies can directly or indirectly affect product pricing and the company's operations. To mitigate this risk, the company stays vigilant and updated on all relevant policies, taking necessary actions as needed. At the same time, the company is participating in various industry associations for progressive discussions with government authorities on policy framework impacting our business and industry at large while achieving government objectives on sustainability etc.

Human Resources

At the heart of our commitment are our people - our employees, who are our brand ambassadors. They bring vitality, dynamism, energy and innovative ideas to work every day. They are the driving force behind our success, helping us realise our aspirations in this new era. To achieve our goals, we prioritise the well-being and development of our employees. We provide them with a sense of purpose, provide opportunities, and prioritise their health and safety.

Human Capital

As on March 31, 2024, the total strength of employees (Staff and Operators) of the Company was 1169. We enable and sustain an empowering work culture where our employees learn and lead. Our people are key to retaining our competitive edge. We are continuously working to create an environment of empowerment through well-defined policies that reflect empathy, celebrate meritocracy and provide ample professional development opportunities.

Talent Attraction and Retention

We consider our employees critical to our success. Our human resource strategy is outlined to build better organisational capabilities, hire and retain the best talent and create a culture that delivers long-term value and sustain competitiveness in the global marketplace. To have skilled workforce on board for a sustainable future is pivotal for the Company.

Talent Management

Our talent management process focuses on building succession strength, creating development journeys and learning interventions to attract, retain and develop top talent across the Company. This is anchored through "Organisation Talent Review" (OTR) process to provide an overview of talent across the company and enable talent movements across teams based on individual strengths and aspirations.

Diversity and Inclusion

The Company promotes Diversity, Equity and Inclusion at all locations, for all departments and stakeholders. On a time-to-time basis Company reviews the existing policies and practices to make the workplace inclusive.

We prioritise Diversity, Equity and Inclusion (DE&I) in our workplace and strive to provide equal opportunities to all individuals. Our policies ensure that no discrimination occurs based on gender or disability regarding employment, promotion, termination or other related issues.

Our Prevention of Sexual Harassment at Workplace (POSH) Policy is in line with our commitment towards gender inclusion and diversity and helps create a safe and secure workplace for all. All women employees (permanent, temporary, contractual and trainees), woman service providers, as well as any woman visiting our Company are covered under this policy. Any breach of this policy is subject to strong disciplinary actions.

Organisational Transformation

Initiative of Re-organisation of the service team was carried out with a view to align the Service team with the Sales Function and strengthen our Aftermarket function. As a part of the strategy the Field Operations & After Market business excellence teams were created to drive operational excellence.

Industrial Relations

The industrial relations scenario continued to be positive at our Kadi Plant. Long-term Settlement with our labor unions was completed amicably. The relationship between the Management

and the Unions has evolved significantly at JCH-India. Both the parties have recognised the benefits of collaboration and working together towards the organisation's larger interests. We also launched and completed two rounds of Voluntary Retirement Scheme (VRS) wherein about 91 operators participated and took benefit of the same.

This year we introduced a program, where two batches of 15 Operators each visited Japan for 3 months. Through this program our operators not only enhanced their technical skills but also contributed to the regular operations on the manufacturing lines. The skill and workmanship of operators of the Company were noted to be at par with Japanese Standards and was appreciated by Tochigi Team. This collaborative program provided valuable opportunity to our operators to gain technical skills, work experience, and exposure to Japanese culture and tradition, while also contributing to the increase in production level of air conditioning units at Tochigi, Japan.

Employee Wellness and Engagement

As part of our Culture Transformation journey, we have introduced YOURVOICE program wherein employees participate in the survey. We gauge their engagement and their response to the movements made on the desired culture.

We have introduced the Long-Service Reward & Recognition program for our employees. Health and wellbeing are at our core. We organized series of Health Check up, Eye Check-up camps and blood donation for our employees and operators at Kadi. 100% of our employees and operators are covered by organisational insurance and benefits. Our aim is to provide safe workspaces designed around our values of diversity, equity, inclusion and fair play, and giving them a healthy and safe place to flourish.

Internal Control and Systems

The Company has a well-defined and adequate internal control system commensurate to the size of its business and the nature of industry it operates in. The Internal Control system ensures safeguarding and protecting the assets of the Company. Internal Audit was conducted by external Auditors at plant as well as at all the branches of the Company within the detailed scope defined and approved by the Audit Committee. The Internal Audit is planned to substantiate and review the adequacy of internal controls and laid down procedures & systems. Observations of Internal Auditors and the detailed plan of action are reviewed and discussed at the meetings of the Audit Committee on a periodic basis.

Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013, Members of the Company, at the Annual General Meeting held on 15th September 2021, appointed M/s. Price Waterhouse & Co Chartered Accountants LLP (Firm Registration No. 304026E / E300009) as Auditors of the Company to hold office from the conclusion of Annual General Meeting held on 15th September, 2021 till the conclusion of the sixth consecutive Annual General Meeting.

Directors' Responsibility Statement

Your Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- Such accounting policies selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- Annual accounts have been prepared on a going concern basis;
- Internal financial controls which are to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Change in Board of Directors

During the year under review, there were following changes in the Board of Directors of the Company:

- Cessation of Mr. Gurmeet Singh as Managing Director as well as Director of the Company with effect from closing hours as on 30th June, 2023.
- Appointment of Mr. Sanjay Sudhakaran as Director as well as Managing Director of the Company with effect from 1st July, 2023.

Disclosure under section 197(12) of the Companies Act, 2012 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name of Director and Key Managerial Personnel (KMP)	Designation	% increase in remuneration of director and KMP*	Ratio of the remuneration of director to the median remuneration of the employees of the Company for the financial year
Mr. Gurmeet Singh	Chairman and Managing Director	NA*	NA*
Mr. Sanjay Sudhakaran	Managing Director	NA*	NA*
Mr. Yoshikazu Ishihara	Director	NA	NA
Mr. Tatsuya Sugawara	Director	NA	NA
Mr. Nobuyuki Tao	Director	NA	NA
Mr. Ashok Balwani	Independent Director	NA	NA
Mr. Mukesh Patel	Independent Director	NA	NA
Ms. Shalini Kamath	Independent Director	NA	NA
Mr. Arpit patel	Independent Director	NA	NA
Mr. Rishi Mehta	Chief Financial Officer	3.46%	9.1:1
Mr. Parag Dave	Company Secretary	Nil	2.0:1

*Worked only for a part of the year.

- Cessation of Mr. Tatsuya Sugawara as a Director of the Company with effect from 30th June, 2023.
- Appointment of Mr. Nobuyuki Tao as a Director of the Company with effect from 30th June, 2023.
- Appointment of Mr. Arpit Patel as an Independent Director of the Company with effect from 1st October, 2023.

Performance Evaluation

The Board has carried out an annual evaluation of the performance of the Board, Audit Committee, Risk Management Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee, Executive Committee, ESG Committee, Vigil Mechanism Committee and CSR Committee.

The Board has also carried out annual evaluation of the performance of individual Directors, who were evaluated considering levels of their engagement and contribution, safeguarding the interests of the Company and its minority shareholders, etc. The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors at their separate meeting.

Details of Establishment of Vigil Mechanism

The Company has established a Vigil Mechanism process as an extension of the Company's Code of Conduct whereby an employee, director, customer, vendor or associate of the Company can disclose his genuine doubt in good faith to any member of Vigil Mechanism Committee about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy, so that appropriate action can be taken to safeguard the interest of the Company. In exceptional cases, a complaint can be reported by a complainant to a Chairperson of Audit Committee. This mechanism is overseen by the Audit Committee.

Comparison of remuneration against Company's performance*	
- Increase in remuneration of each KMP	As mentioned in above table
- Increase in total remuneration of all KMP	Total remuneration of KMP increased by 1.9% (excluding KMP worked for a part of the year).
Percentage increase in the median remuneration of employees in the financial year	8.0%
No. of permanent employees on the rolls of Company	1169
Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	- Average % increase in the salaries of employees other than the managerial personnel 8.6% - Total remuneration of KMP increased by 1.9% (excluding KMP worked for a part of the year).

* represents increase in base pay only and does not include long term incentives.

We hereby affirm that the remuneration given to all the employees, Directors and KMP is as per the Remuneration policy of the Company.

Risk Management System

Company has implemented Enterprise Risk Management (ERM) system to identify, assess, monitor and mitigate the various risks associated with the Company.

Risks are identified and then classified into different categories such as Strategic, Operational, and Business risk. Then score based on level and significance of risk is given and subsequently risk mitigation steps are taken. ERM cover various functional risks including Cyber securities related risks.

- 24 As required under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, Board has formed a Risk Management Committee to discuss the critical and vital risks.

Internal Financial Control

Internal Financial Control plan adopted by the Company is adequate with reference to the Financial Statement.

1. Conduct of its business by adherence to Company's policies.
2. Safeguarding of assets.
3. The accuracy and completeness of the accounting records, Prevention and detection of frauds and errors and timely preparation of reliable financial information.

Other Disclosures

1. Number of meetings of the Board: Six meetings of the Board of Directors of the Company were held during the year under review on 23rd May, 2023, 30th June, 2023, 26th July, 2023, 27th October, 2023, 30th January, 2024 and 18th March, 2024.
2. Members of the Audit Committee as on 31st March, 2024 are as under:

Mr. Mukesh Patel	-	Chairman
Mr. Ashok Balwani	-	Member
Ms. Shalini Kamath	-	Member
Mr. Arpit Patel	-	Member
Mr. Nobuyuki Tao	-	Member
3. The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies

Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

4. Details of the CSR amount spent for the year 2023-24 is attached as Annexure A. Details about the Policy on Corporate Social Responsibility (CSR) as required under Section 134(3)(o), 135(2) read with Companies (Corporate Social Responsibility Policy) Rules, 2014 has been placed on the website of the Company and Weblink is as under:

<https://buy.hitachiaircon.in/cms/materials/d86a33aa94.pdf>

The projects to be implemented by the Company for the year 2024-25 have been placed on the website of the Company and Weblink is as under:

<https://buy.hitachiaircon.in/cms/materials/f01d9f346b.pdf>

5. Formal Appointment and Evaluation Policy of the Board of Directors and Senior Management of the Company which has been formulated and recommended by Nomination and Remuneration Committee and adopted by Board of Directors covering appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) has been placed on the website of the Company and Weblink is as under:

<https://buy.hitachiaircon.in/cms/materials/858c85c293.pdf>

6. No commission was paid to Directors of the Company, so no disclosure is required to be made under Section 197(14).
7. The Draft Annual Return in form MGT-7 as provided under sub-Section (3) of section 92 has been placed on the website of the Company and Weblink is as under:

<https://buy.hitachiaircon.in/cms/materials/baab76c33b.pdf>
8. No loan was granted by the Company to any person to purchase or subscribe to fully paid-up shares of the Company.
9. Details of the significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

Sr. Ratio No.	As at March 31, 2024	As at March 31, 2023	% Variance	Reason for Variance*
1 Current Ratio	1.2	1.3	-7.2%	
2 Debt-Equity Ratio	0.1	0.3	-71.8%	The variance is primarily on account of decrease in current borrowings by Rs. 1,430 million during the year ended March 31, 2024.
3 Debt Service Coverage Ratio	-0.7	-0.7	-10.0%	
4 Return on Equity (ROE)(%)	-12.2%	-11.7%	4.2%	
5 Inventory Turnover Ratio	2.3	2.7	-13.0%	
6 Trade receivables turnover ratio	6.6	8.1	-18.5%	
7 Trade payables turnover ratio	3.7	3.4	8.4%	
8 Net capital turnover ratio	9.9	8.1	21.8%	
9 Net profit ratio(%)	-3.9%	-3.4%	14.7%	
10 Return on capital employed (ROCE)(%)	-14.6%	-12.1%	20.7%	
11 Return on investments(%)	6.2%	3.7%	67.6%	The variance is primarily on account of increase in interest rates in respect of deposits placed with bank during the year ended March 31, 2024.
12 Operating Profit Margin (%) (before exceptional items)	0.5%	-0.3%	266.7%	Operational efficiency has resulted into negative to positive operating margin.

10. Secretarial Audit Report: Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Report of the Secretarial Auditors is annexed as Annexure B.
11. There is no material fraud reported by Auditors under Section 143(12) of the Companies Act, 2013 during the year under review.
12. Particulars of loans, investments or guarantees under section 186: Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered under Section 186. Company has not made any investment in securities of other Body Corporate. Company has given guarantee of Rs. 75 Million against the credit facilities availed by dealers.
13. There is no subsidiary and/or joint venture of the Company. Further, there is no associate Company in which Company has a significant influence. Therefore, no disclosure in this regard is required in Form AOC 1.
14. There is no Company which has become or ceased to be its subsidiary, joint venture or associate Company during the year.
15. During the year, Company has not accepted deposits covered under Chapter V.
16. There is no qualification, reservation or adverse remark or disclaimer made by the Auditors in their report.
17. There is no qualification, reservation or adverse remark or disclaimer made by the Company Secretaries in practice in their Secretarial Audit Report.
18. There is no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.
19. Details of complaints relating to sexual harassment during the year under review:
Number of complaints pending as on 31st March, 2023 : Nil
Number of complaints received during the year : 2
Number of complaints disposed of during the financial year : 2
Number of complaints pending as on 31st March, 2024 : Nil
20. The information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules'), forms part of this Report. However, as per second proviso to Section 136(1) of the Act and second proviso of Rule 5(3) of the Rules, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.
21. Related party transactions under Section 188(1): All transactions entered by the Company with related parties during the year under review were in ordinary course of business and on an arm's length basis. There were no material Related Party Transactions (RPTs) undertaken by the Company during the year that require shareholders' approval under Section 188 of the Act. Therefore, the disclosure in Form AOC-2 under Section 134(3)(h) of the Companies Act, 2013 is not applicable.
Policy on dealing with Related Party Transactions has been disclosed on Company's website and a weblink is as under:
<https://buy.hitachiircon.in/cms/materials/3f846d49e9.pdf>
22. Revision in Accounts or Board's Report: No revisions have been made in the Accounts or Board's Report.

23. Issue of Equity Shares with differential rights: No Equity Share were issued with differential voting rights during the year under review.
24. Issue of Sweat Equity Shares: No issue of Sweat Equity Share were made during the year under review.
25. Employee Stock Option and Employee Stock Purchase Schemes: No Employee Stock Option and Employee Stock Purchase Schemes were launched by the Company during the year under review.
26. Disclosure under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015:
- The Equity Shares of the Company are not delisted or suspended during the year under review.
 - Equity Shares of the Company were listed on the BSE Limited and the National Stock Exchange of India Limited.
 - Annual listing fees have been paid to both the stock exchanges mentioned above.
27. Dividend Distribution Policy has been disclosed on Company's website and a weblink is as under:
<https://buy.hitachiaircon.in/cms/materials/9de980b488.pdf>
28. Company has complied with Secretarial Standards applicable to Company.
29. Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, relating to conservation of energy, Technology absorption and Foreign exchange earnings and outgo are attached in Annexure C.

ACKNOWLEDGEMENT

Your Directors thank all Customers, Suppliers, Investors, Bankers and other stakeholders of the Company for their co-operation and continued support during the year. We look forward to their continued support in the future also.

We wish to place on record our sincere appreciation for the excellent work put in by the employees of the Company at all levels.

For and on behalf of the Board of Directors

Place : Karan Nagar, Kadi
Date : July 30, 2024

Nobuyuki Tao
Chairman

Annexure A

CSR activities for Financial Year 2023-24

1. Brief outline on CSR Policy of the Company.

Corporate Social Responsibility (CSR) is the contribution from the Corporate towards Social and Economic development of Society. The purpose of CSR has been to catalyze sustainable growth and development by creating an enabling environment for the Company to work in partnership with the Government, Non-Government, and Civil Society Organizations, as well as Community Organizations in the field of Corporate Social Responsibility.

The Company's philosophy for CSR has been to initiate sustainable projects in Health and Education to uplift the area in which the Company's Plant is located.

Company has undertaken and proposes to undertake Projects / activities under Corporate Social Responsibility as specified in Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee:

Sr	Name of Director	Designation Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Gurmeet Singh*	Chairman of the Committee (Chairman & Managing Director of the Company)	-	-
2	Mr. Sanjay Sudhakaran**	Chairman of the Committee (Managing Director of the Company)	3	3
3	Mr. Yoshikazu Ishihara	Member of the Committee (Director of the Company)	3	3
4	Ms. Shalini Kamath	Member of the Committee (Independent Director of the Company)	3	3

*Upto June 30, 2023

** From July 01, 2023

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company are as under:

CSR Committee: <https://buy.hitachiaircon.in/cms/materials/6bfb808506.pdf>

CSR Policy: <https://buy.hitachiaircon.in/cms/materials/d86a33aa94.pdf>

Web-link of the CSR Projects approved by Board for the financial year 2024-25 are disclosed on the website of the Company : <https://buy.hitachiaircon.in/cms/materials/f01d9f346b.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
		Nil	

6. Average net profit of the Company as per section 135(5): Loss of Rs. 82.0 Million

7. (a) Two percent of average net profit of the Company as per section 135(5): Nil

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): Nil

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. in Million)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2.1	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project	Project duration	Amount allocated for the project	Amount Spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per section 135(6)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency
			State	District						Name CSR Regn. No.
Not applicable										

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project	Amount spent for the project (Rs. in Million)	Mode of implementation - Direct (Yes / No)	Mode of implementation - Through implementing agency
				State	District		Name CSR Regn. No.
1	Primary Health Center - Karannagar Village	Health	Yes	Gujarat	Mehsana	1.2	Yes Not Applicable
2	Distribution of Sanitary Napkins - In Villages nearby Plant	Health	Yes	Gujarat	Mehsana	0.9	Yes Not Applicable
Total						2.1	

(d) Amount spent in Administrative overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 2.1 Million

(g) Excess amount for set off, if any

Sr.	Particular	Amount (Rs. in Million)
(i)	Two percent of average net profit of the Company as per section 135(5) (after deducting amount available for set off of previous year)	Nil
(ii)	Total amount spent for the Financial Year	2.1
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.1
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.1

9. (a) **Details of Unspent CSR amount for the preceding three financial years:**

Sr.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
Nil							

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project Completed / Ongoing
Nil								

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details).**

- Date of creation or acquisition of the capital asset(s): Not applicable
- Amount of CSR spent for creation or acquisition of capital asset: Not applicable
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not applicable

11. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).**

Not applicable.

Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company. The funds so disbursed have been utilized for the purposes and in the manner as approved by it.

For Johnson Controls-Hitachi Air Conditioning India Limited

Sanjay Sudhakaran
 Managing Director
 (Chairman CSR Committee)

Rishi Mehta
 Chief Financial Officer

Annexure B

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Johnson Controls - Hitachi Air Conditioning India Limited,
9th Floor, Abhijeet-1,
Mithakhali Six Roads,
Ahmedabad – 380 006

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Johnson Controls - Hitachi Air Conditioning India Limited (CIN: L29300GJ1984PLC007470) (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Johnson Controls - Hitachi Air Conditioning India Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "the company", having its Registered Office at "9th Floor, Abhijeet-1, Mithakhali Six Roads, Ahmedabad – 380 006 for the financial year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period)
- (e) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021; (Not applicable to the Company during the Audit Period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and (Not applicable to the Company during the Audit Period)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit Period)
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) The Company has complied with the following specifically other applicable laws to the Company:

- (a) E-waste Management Rules, 2012

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI Listing (Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were usually sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any matter.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:

1. The 38th Annual General Meeting of the members of the Company was held on 14th September, 2023 through VC/OAVM in terms of MCA General Circular nos. 14/2020 Dated 8th April, 2020, 17/2020 Dated 13th April, 2020, 20/2020 Dated 5th May, 2020, 02/2021 Dated 13th January, 2021 and 09/2023 Dated 25th September, 2023 at which in addition to other agenda items, the approval for appointment of Mr. Gurmeet Singh as Managing Director of the company for the period 1st February, 2023 to 30th June, 2023 was obtained and also the appointment of MR. Sanjay Sudhakaran as Managing Director of the company was made for a period of 3 years effective from 1st July, 2023.
2. The Board of Directors of the Company at its meeting held on 18th March, 2024 had decided to seek approval of the members through Postal Ballot to the appointment of Raman Madhok as an Independent Director of the Company for a period of 3 years effective from 1st April, 2024.

FOR M C Gupta & Co,
Company Secretaries
UCN: S1986GJ003400

Mahesh C Gupta
Proprietor

FCS: 2047 (CP: 1028)

Peer Review: 5380/2023

UDIN: F002047F852292

Place: Ahmedabad
Date: 30th July, 2024

Note: This Report is to be read with Our Letter of even date which is annexed as **Annexure "A"** and forms an integral part of this report.

Annexure: "A"

To,
The Members,
Johnson Controls - Hitachi Air Conditioning India Limited,
9th Floor, Abhijeet-1,
Mithakhali Six Roads,
Ahmedabad – 380 006.

Our Report of even date is to be read along with this Letter;

1. Maintenance of Secretarial Record is the responsibility of the management of the company. Our responsibility is to express an opinion on Secretarial Records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards, is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Ahmedabad
Date: 30th July, 2024

FOR M C Gupta & Co,
Company Secretaries
UCN: S1986GJ003400

Mahesh C Gupta
Proprietor
FCS: 2047 (CP: 1028)
Peer Review: 5380/2023
UDIN: F002047F852292

Annexure C

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, relating to conservation of energy, Technology absorption and Foreign exchange earnings and outgo.

Conservation of Energy:

1. Occupancy Sensor for Lighting Control : An occupancy sensor detects the presence of movement within its given range. The sensor detects motion and transmits the signal to the control unit. If no movement is detected after a period of set time, the controller determines the space is unoccupied and switches off the light. Around 38 sensor were installed in various area like Administration Office, Manufacturing Office, Toilets and other area. Through this we will be able to save approximate 10 kW power per Hr.
2. A part of technological upgradation, we have replaced overhead LED lights with energy efficient LED lights to optimize the energy consumption. By doing this we have replaced existing LED lights having wattage of 150, 120 & 100 watts with 132, 100 & 70 watts respectively. From total 120 nos of LED replacement we will be able to save approximate 13,056 kWh per year.
3. Conversion of Cooling Tower based cooling to Air Cooled chillers for moulding machines. By doing this we will be able to save around 18 kWh per Hr. Also there will be a saving in Water consumption also i.e. approximately 660 KL per year.

Research, Development and Technology Absorption

Development of Takumi Smart Range of Inverter Ducted Split Air conditioner:

Development of Inverter Ducted air conditioner with Inverter Scroll compressor driven by high efficiency variable frequency drive to maintain precise desired temperature to match varying load conditions.

Inverter ducted AC significantly reduces the running cost compared to fixed speed ducted AC since the unit adapts itself to the varying load thereby proving fast RoI. Moreover, unlike a fixed speed unit which goes through several on-off cycles to regulate the capacity, the inverter unit regulates the compressor speed to deliver required capacity. This enhances the overall life of the unit.

This new innovative product has many smart features like Wi fi connectivity with airCloud Go, H- link Connectivity with Hitachi VRF system, BMS compatible, RS485 based communication between IDU & ODU, Wireless remote controller, self-diagnosis with fault history logs. This highly innovative products accompanied with highest level of safety mechanism like High pressure / Low pressure protection, over voltage / under voltage / voltage fluctuations protection, phase change protection, oil level management at part loads, Compressor envelop protection etc. This 7HP to 13HP range of inverter ducted AC also has AHU connectivity for special applications such as clean rooms.

Foreign exchange earnings and outgo

Details of foreign exchange earnings and outgo are as under: Total foreign exchange earned by the Company during the year under review was Rs. 1,187.4 Million, as compared to Rs. 1,289.7 Million during the previous year. Total foreign exchange outflow during the year under review was Rs. 4,407.9 Million, as against Rs. 9,922 Million during the previous year.

REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy on Code of Corporate Governance

Your Company is committed to adopt best management practices for achieving its pre-defined objectives with ethical standards and transparent & fair conduct of the business.

Company believes that vital components of prudent Corporate Governance are - Compliance of laws, internal control systems, transparent accounting practices and policies, timely disclosures, optimum mixture of independent directors in the Board, etc.

Company's Corporate Governance is framed on the basis of following principles:

1. Ethical and fair conduct of business to achieve its goal by enhancing the brand equity and value of the Company.
2. Internal Control systems applied to all operations of the Company.
3. Appropriate size and mixture of the board consisting of one half of Independent Directors. Directors having expertise in different areas.

4. Compliance of laws and regulations applicable to the Company in true letter and spirit;
5. To ensure awareness of the Shareholders, Customers, Suppliers, Employees. Timely disclosure of all operational and financial information of the Company within the purview of the laws.
6. To create, maintain and ensure safe and clean environment for sustainable development for next generation.

II. Board of Directors, Committees and Remuneration of Directors

Board of Directors

Present strength of the Board of Directors of your Company is six members. The composition of the Board is in conformity with Regulation 17(1) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The Board of Company has optimum combination of Non-independent and Independent Directors.

As on 31st March, 2024, Board of the Company consists of seven members. Two (2) Non-executive Directors (Including Chairman) One (1) Executive Director (Managing Director), and four (4) Independent Directors (Including one (1) woman Director).

Details of their position and number of Board / Committees in which they are Chairman / Member are as under:

Name of Director	Promoter / Executive / Non-executive / Independent	No. of Directorship in Listed Indian Companies (Including this Company)	No. of Committees* Position held as	
			Chairman	Member
Mr. Nobuyuki Tao	Chairman	1	-	1
Mr. Sanjay Sudhakaran	Executive (Managing Director)	1	-	1
Mr. Yoshikazu Ishihara	Promoter / Non-Executive	1	1	1
Mr. Ashok Balwani	Independent	1	-	1
Mr. Mukesh Patel	Independent	4	4	6
Ms. Shalini Kamath	Independent	3	-	4
Mr. Arpit Patel	Independent	3	2	5

*Includes only Audit Committee and Stakeholders Relationship Committee.

Following are the Changes in Board of Directors during the year:

- 1 Mr. Nobuyuki Tao has been appointed as a Director and Chairman w.e.f. 30.06.2023.
- 2 Mr. Tatsuya Sugawara ceased to be a Director w.e.f. 30.06.2023.
- 3 Mr. Sanjay Sudhakaran has been appointed as Managing Director w.e.f. 01.07.2023.
- 4 Mr. Gurmeet Singh ceased to be a Chairman and Managing Director w.e.f. 30.06.2023.
- 5 Mr. Arpit Patel has been appointed as an Independent Director w.e.f. 01.10.2023.
- 6 Mr. Ashok Balwani ceased to be an Independent Director w.e.f. 31.03.2024. (Mr. Raman Madhok has been appointed as an Independent Director w.e.f. 01.04.2024).
- 7 Mr. Mukesh Patel ceased to be an Independent Director w.e.f. 31.03.2024.

Directors are holding Directorship in following Listed Companies as on 31st March, 2024 (excluding this Company)

Name of Director	Name of Company	Category of Directorship
Mr. Mukesh Patel	Cadila Healthcare Limited	Non-Executive Director
	The Sandesh Limited	Independent Director
	Force Motors Limited	Independent Director
Ms. Shalini Kamath	Abbott India Ltd.	Independent Director
	Borosil Renewables Ltd.	Independent Director
Mr. Arpit Patel	Arvind Ltd	Independent Director
	The Anup Engineering Limited	Independent Director

Skills/expertise/competence of the Board

List of Core Skills / expertise / competencies identified by the Board of Directors as required in the Context of the Company's Business for it to function effectively and available with the Board are as under:

Skills	Mr. Tao	Mr. Sudhakaran	Mr. Ishihara	Mr. Balwani	Mr. M. Patel	Ms. Kamath	Mr. A Patel	
Leadership skill	Experience to lead and advise large scale organization	√	√	√	√	√	√	
	Guiding Board / Company on all aspects of business and having high governance standards	√	√	√	√	√	√	
	Helping to build team's confidence to use own initiative	√	√	√	√	√	√	
	Inspiring team with a vision for success	√	√	√	√	√	√	
	Effective Delegation	√	√	√	√	√	√	
	Vision, Strategic planning and Decision Making	Know where business is heading and how to position it to get desired goals	√	√	√	√	√	√
Understand the challenges and opportunities business faces and the advice best ways to address them		√	√	√	√	√	√	
Intuition, reasoning and application of techniques		√	√	√	√	√	√	
Analysis and use of information		√	√	√	√	√	√	
Risk Management and mitigation capabilities		√	√	√	√	√	√	
Business skill		Industry knowledge - Experience and knowledge of the Air conditioning and Refrigeration Industry	√	√	√	√	√	√
		Design and development of products of the Company	√	√	√	√		
	Procurement and buying – managing contracts, stock control and inventory planning	√	√	√	√	√	√	
	Production – knowledge of effective and efficient processes of production	√	√	√	√	√	√	
	Marketing - advertising, promotion and PR, Sales - pricing, negotiating, customer service and tracking competitors	√	√	√	√	√	√	

Skills	Mr. Tao	Mr. Sudhakaran	Mr. Ishihara	Mr. Balwani	Mr. M. Patel	Ms. Kamath	Mr. A Patel
Functional Skill							
Finance - Ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows, and knowledge of accounts and taxation, Budgeting, cash flow planning and credit-management	√	√	√	√	√	√	√
Legal – Understanding laws and regulations relevant to Company / Industry	√	√	√	√	√	√	√
Internal Controls – Ability to advice on strengthening of checks and balances	√	√	√	√	√	√	√
Personnel - recruitment, dispute resolution, motivating staff and managing training	√	√	√	√	√	√	√
Team Management Skills							
Ensure team knows their role	√	√	√	√	√	√	√
Set clear goals and communicate	√	√	√	√	√	√	√
Put in place clear lines of communication	√	√	√	√	√	√	√
Clarify lines of responsibility	√	√	√	√	√	√	√
Involve all team members in decision-making as much as possible	√	√	√	√	√	√	√
Introduce ways to manage and resolve differences	√	√	√	√	√	√	√

Certification regarding Directors

Company has obtained a certificate from Tejal Shah & Associates that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Independent Directors

Company has received declarations from Independent Directors under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Board opines that they meet criteria of Independence and they fulfill the conditions specified in Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

No Independent Director has resigned during the year.

There were following changes in Independent Directors during the year:

- 1 Mr. Arpit Patel has been appointed as an Independent Director w.e.f. 01.10.2023.
- 2 Mr. Ashok Balwani ceased to be an Independent Director w.e.f. 31.03.2024 as he has completed his second term as Independent Director on 31st March, 2024. (Mr. Raman Madhok has been appointed as an Independent Director w.e.f. 01.04.2024).
- 3 Mr. Mukesh Patel ceased to be an Independent Director w.e.f. 31.03.2024 as he has completed his second term as Independent Director on 31st March, 2024.

The independent directors of the Company held a meeting during the year, without the presence of non-independent directors and members of the management. Out of Four independent directors, Three Independent Directors were present at the said meeting.

The details of familiarization program have been disclosed on the Company's website and a web link is as under:

<https://buy.hitachiaircon.in/cms/materials/346c5bdbd0.pdf>

Attendance of Board Meeting and Annual General Meeting

Schedule of Board meetings for the year is decided at the beginning of the year. The Board meets at least once in a quarter, inter-alia, to review the performance of the quarter.

During the year from 1st April, 2023 to 31st March, 2024, 6 (Six) Board Meetings were held, i.e., on 23rd May, 2023, 30th June, 2023, 26th July, 2023, 27th October, 2023, 30th January, 2024 and 18th March, 2024. The last Annual General Meeting (AGM) was held on 14th September, 2023. The attendance of Directors at these Board Meetings and the last AGM were as under:

Name of Director	Board Meetings	Annual General Meeting
Mr. Nobuyuki Tao – From 30th June, 2023	5	Present
Mr. Sanjay Sudhakaran – From 1st July, 2023	4	Present
Mr. Gurmeet Singh – Upto 30th June, 2023	2	-
Mr. Yoshikazu Ishihara	6	Present
Mr. Tatsuya Sugawara – Upto 30th June, 2023	2	Present
Mr. Ashok Balwani – Upto 31st March, 2024	6	Present
Mr. Mukesh Patel – Upto 31st March, 2024	6	Present
Ms. Shalini Kamath	6	Present
Mr. Arpit Patel – From 1st October, 2023	3	-

Number of Shares held by Non-Executive Directors

Details of Number of Shares held by Non-executive Directors in their own name or in the name of other persons on beneficial basis as on March 31, 2024 are as under:

Name of Director	No of Shares held
Mr. Nobuyuki Tao	Nil
Mr. Yoshikazu Ishihara	Nil
Mr. Tatsuya Sugawara	Nil
Mr. Ashok Balwani	Nil
Mr. Mukesh Patel	1,500
Ms. Shalini Kamath	Nil
Mr. Arpit Patel	Nil

Inter-se relationship between Directors

None of the Directors is in any way related to other Directors of the Company.

Audit Committee

As on 31st March, 2024, Audit Committee comprises of Five members, all being Non-executive Independent Directors.

Audit Committee is empowered to exercises its role, responsibilities and powers as prescribed in Regulation 18(3) Part C of schedule 2 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and Section 177 of the Companies Act, 2013.

Members of the Audit Committee as on 31st March, 2024 are as under:

Mr. Mukesh Patel	–	Chairman
Mr. Ashok Balwani	–	Member
Ms. Shalini Kamath	–	Member
Mr. Arpit Patel	–	Member
Mr. Nobuyuki Tao	–	Member

During the year from 1st April, 2023 to 31st March, 2024, 5 (Five) Audit committee meetings were held, i.e., 23rd May, 2023, 30th June, 2023, 26th July, 2023, 27th October, 2023 and 30th January, 2024. Attendances of the members at the meetings were as under:

Name of Members of Committee	Meetings attended
Mr. Mukesh Patel	5
Mr. Ashok Balwani	5
Ms. Shalini Kamath – From 10th October, 2023	2
Mr. Arpit Patel – From 10th October, 2023	2
Mr. Nobuyuki Tao – From 1st July, 2023	3
Mr. Gurmeet Singh – Upto 30th June, 2023	2

Nomination and Remuneration Committee

Nomination and Remuneration Committee takes decisions relating to remuneration of Executive Directors and recommends appointment of Directors and Senior Management Personnel of the Company subject to such approval of Shareholders and Central Government as and when required.

Members of the Nomination and Remuneration Committee as on 31st March, 2024 are as under:

Mr. Mukesh Patel	–	Chairman
Mr. Ashok Balwani	–	Member
Mr. Nobuyuki Tao	–	Member

During the year under review, 3 (Three) Nomination and Remuneration Committee Meetings were held, i.e., on 30th June, 2023, 14th December, 2023 and 20th February, 2024. Attendance of the members at this meeting was as under:

Name of Members of Committee	Meetings attended
Mr. Mukesh Patel – Upto 31st March, 2024	3
Mr. Ashok Balwani – Upto 31st March, 2024	3
Mr. Nobuyuki Tao – From 1st July, 2023	2
Mr. Tatsuya Sugawara – Upto 30th June, 2023	1

Terms of Appointment / Remuneration

Executive Directors (Managing Director) is usually appointed for three years at such remuneration which is approved by the Shareholders by special resolution and in accordance with the Companies Act, 2013.

Services of the Managing Director may be terminated by either party, giving the other party 90 days' notice or either party paying 90 days' salary in lieu thereof.

Independent Directors are paid sitting fees of Rs. 100,000 for attending Board meeting, Rs. 80,000 for attending Audit Committee Meeting, Rs. 75,000 for attending CSR Committee meeting, Rs. 20,000 for attending Nomination and Remuneration Committee Meeting, Rs. 75,000 for attending Risk Management Committee, Rs. 75,000 for attending ESG Committee Meeting and Rs. 75,000 for attending Stakeholders Relationship Committee Meeting.

Details of Remuneration of directors during the year under review are as under:

(Rs. in Million)						
Name of Director	Salary	Perquisites	Performance linked Incentives*	Retirement benefits	Sitting Fees	Total Remuneration
Mr. Nobuyuki Tao	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Sanjay Sudhakaran	19.9	1.4	4.0	1.4	Nil	26.7
Mr. Gurmeet Singh	4.6	Nil	Nil	0.3	Nil	4.9
Mr. Yoshikazu Ishihara	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Tatsuya Sugawara	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Mukesh Patel	Nil	Nil	Nil	Nil	1.3	1.3
Mr. Ashok Balwani	Nil	Nil	Nil	Nil	1.2	1.2
Ms. Shalini Kamath	Nil	Nil	Nil	Nil	1.1	1.1
Mr. Arpit Patel	Nil	Nil	Nil	Nil	0.5	0.5

*These are primarily based on objective evaluation of individual and the Company performance against pre-set performance parameters.

** Remuneration does not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

No Director is holding share under Stock Option since no Stock Option Scheme has been given by the Company.

There was no other pecuniary relationship or transaction of the Non-executive Director vis-à-vis the Company during the year under review.

Formal appointment and evaluation policy of the Board and senior management has been placed on the website of the Company.

Stakeholders Relationship Committee

Stakeholders Relationship Committee consisted of following members as on 31st March, 2024:

Mr. Yoshikazu Ishihara	–	Chairman
Mr. Sanjay Sudhakaran	–	Member
Mr. Mukesh Patel	–	Member
Mr. Arpit Patel	–	Member

During the year under review, 3 (Three) Stakeholders Relationship Committee Meetings were held, i.e., on 23rd May, 2023, 26th July, 2023 and 27th October, 2023. Attendance of the members at this meeting was as under:

Name of Members of Committee	Meetings attended
Mr. Yoshikazu Ishihara	3
Mr. Sanjay Sudhakaran – From 1st July, 2023	2
Mr. Gurmeet Singh – Upto 30th June, 2023	1
Mr. Mukesh Patel – Upto 31st March, 2024	3
Mr. Arpit Patel – From 10th October, 2023	1

Number of shareholders' complaints received during the year under review:

Number of pending complaints as on 1st April, 2023	Nil
Number of complaints received	Nil
Number of complaints redressed	Nil
Number of pending complaints as on 31st March, 2024	Nil

All the complaints and share transfers requests were redressed within one month.

Name and designation of Compliance Officer: Mr. Parag Dave – Company Secretary

E-mail ID of Compliance Officer: parag.dave@jci-hitachi.com

Risk Management Committee

Risk Management Committee consisted of following members as on March 31, 2024:

Mr. Nobuyuki Tao	–	Chairman
Mr. Sanjay Sudhakaran	–	Member
Mr. Ashok Balwani	–	Member
Mr. Yoshikazu Ishihara	–	Member

Risk Management Committee is empowered to exercises its role, responsibilities and powers as prescribed in Regulation 21 read with Part D(C) of schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

During the year from 1st April, 2023 to 31st March, 2024, 2 (Two) Risk Management Committee meetings were held, i.e., on 14th September, 2023 and 4th March, 2024. Attendances of the members at the meetings were as under:

Name of Members of Committee	Meetings attended
Mr. Nobuyuki Tao – From 10 th October, 2023	1
Mr. Sanjay Sudhakaran	2
Mr. Ashok Balwani	2
Mr. Yoshikazu Ishihara	2

III. Other disclosures

Statutory Disclosures

There were no materially significant related party transactions that may have potential conflict with the interests of Company at large. Policy on dealing with Related Party Transactions has been disclosed on Company’s website and a weblink is as under:

<https://buy.hitachiaircon.in/cms/materials/1bbefe4542.pdf>

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalty or stricture has been imposed on the Company for such matters by Stock Exchanges or SEBI or any statutory authority.

Commodity price risk/foreign exchange risk and hedging activities

The Company’s robust planning and strategy ensures that its interest is protected against Foreign Currency fluctuation risk and Commodity price risk in general. The Company enters into forward contracts to hedge against its foreign currency exposures. However, Company do not enter into forward contracts to hedge against the Commodity price risk.

The details of foreign exchange exposures as on 31st March, 2024 are disclosed in Notes to the financial statements.

Performance evaluation criteria for independent directors

The performance evaluation of Independent Directors is done by Board of Directors, excluding the Director being evaluated. While making assessment, Board considers the active participation during discussions on various agenda items on the basis of his/her experience and expertise.

Credit rating

Company is not required to obtain credit rating as during the year under review no debt instruments were issued by the Company. There is no fixed deposit program or any scheme or proposal involving mobilization of funds whether in India or abroad.

No preferential allotment or qualified institutions placement

During the year under review no preferential allotment or qualified institutions placement was made by the Company.

Total Fees paid to Auditors

Company has paid total fees of Rs. 4.7 million (excluding reimbursement of expenses) during the year to Statutory Auditors.

Disclosure in relation to Sexual harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of complaints pending as at beginning of the year (1st April, 2023)	Nil
Number of complaints received during the year	2
Number of complaints disposed of during the financial year	2
Number of complaints pending as at the end of the year (31st March, 2024)	Nil

Vigil mechanism (Whistle Blower Policy)

The Vigil mechanism has been put on the website of the Company and we affirm that:

The Company has a robust Vigil mechanism and that no personnel was denied access to the audit Committee.

All mandatory requirements have been complied with by the Company during the year.

Material related party transactions:

The transactions with related parties have prior approval of the Audit Committee (Omnibus approval) in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

Others:

- There is no non-compliance of requirement under sub para (2) to (10) of Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- There is no share in demat suspense account / unclaimed suspense account. Accordingly, no disclosure is required under Schedule V(F) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Company has not adopted non-mandatory requirements as prescribed under Schedule II(E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company has complied with corporate governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Information relating to last three Annual General Meetings**Date and Time: September 15, 2021, 9.30 a.m****Venue:** Through Video Conferencing / Other Audio Video Means (Deemed Venue - Registered Office, 9th Floor, Abhijeet-1, Mithakhali Six Roads, Ahmedabad: 380006)**Special resolutions passed:**

1. Increase in remuneration of Mr. Gurmeet Singh as Chairman & Managing Director of the Company.

Date and Time: 14th September, 2022, 10.00 a.m**Venue:** Through Video Conferencing / Other Audio Video Means (Deemed Venue - Registered Office, 9th Floor, Abhijeet-1, Mithakhali Six Roads, Ahmedabad: 380006)

No Special Resolution passed at the AGM

Date and Time: 14th September, 2023, 10.00 a.m**Venue:** Through Video Conferencing / Other Audio Video Means (Deemed Venue - Registered Office, 9th Floor, Abhijeet-1, Mithakhali Six Roads, Ahmedabad: 380006)**Special resolutions passed:**

1. Special resolution to appoint Mr. Arpit Patel as an Independent director of the Company with effect from 1st October, 2023.
2. Special resolution to re-appoint Mr. Gurmeet Singh as Managing Director from 1st February, 2023 to 30th June, 2023.
3. Special resolution to appoint Mr. Sanjay Sudhakaran as a Managing Director of the Company with effect from 1st July, 2023.

There was no Resolution passed through Postal Ballot during financial year 2023-24.

Means of communication

The quarterly results are published in Business Standard (English) and Jaihind (Gujarati) and the same are also displayed on the website of the Company <https://buy.hitachiaircon.in/content/investors>. The information is being made available to the Stock Exchanges to upload the same on their websites.

The official news releases are displayed on the website of the Company.

No presentations are made to institutional investors or to the analysts.

General Shareholder Information**Ensuing Annual General Meeting**

Day and Date	Time	Venue
Thursday, 19th September, 2024	10.00 a.m.	Video Conferencing / Other audio video means

Financial year: From 1st April, 2023 to 31st March, 2024.**Listing on Stock Exchanges where the shares of the Company are listed**

Stock Code	Stock Exchange
523398	BSE Limited, Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
JCHAC	National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051

The Company has paid Annual Listing Fees for the year 2024-25 to the Stock Exchanges.

Market Price Data

Highest & Lowest market prices of the shares during each month in last financial year and performance in comparison to broad based indices such as BSE Sensex and NSE Nifty are as under:

	Company's Share Price quoted at BSE (Rs)		SENSEX		Company's Share Price quoted at NSE (Rs)		NIFTY	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
Apr-2023	1,176.00	1,020.00	61,209.46	58,793.08	1,182.00	1,021.60	18089.15	17312.75
May-2023	1,164.95	1,023.20	63,036.12	61,002.17	1,150.00	1,028.60	18662.45	18042.40
Jun-2023	1,139.35	1,016.60	64,768.58	62,359.14	1,140.00	1,020.00	19201.70	18464.55
Jul-2023	1,081.95	950.00	67,619.17	64,836.16	1,072.85	950.55	19991.85	19234.40
Aug-2023	1,393.45	937.95	66,658.12	64,723.63	1,393.00	938.00	19795.60	19223.65
Sep-2023	1,356.20	1,191.50	67,927.23	64,818.37	1,354.35	1,189.10	20222.45	19255.70
Oct-2023	1,280.00	1,074.95	66,592.16	63,092.98	1,284.00	1,074.00	19849.75	18837.85
Nov-2023	1,279.95	1,055.35	67,069.89	63,550.46	1,269.00	1,061.10	20158.70	18973.70
Dec-2023	1,186.00	1,057.00	72,484.34	67,149.07	1,186.10	1,078.00	21801.45	20183.70
Jan-2024	1,306.75	1,102.00	73,427.59	70,001.60	1,293.40	1,090.05	22124.15	21137.20
Feb-2024	1,234.20	1,053.00	73,413.93	70,809.84	1,234.60	1,051.00	22297.50	21530.20
Mar-2024	1,155.95	950.00	74,245.17	71,674.42	1,155.00	951.35	22526.60	21710.20

The Equity Shares of the Company were not delisted or suspended during the year ended 31st March, 2024.

Share Transfer System

Since the Company's shares are compulsorily traded in the demat segment on Stock Exchanges, bulk of the transfers take place in the electronic form. For expediting transfers of physical shares, the authority has been delegated to the Registrars and Share Transfer Agent to complete share transfer formalities at least once in a fortnight.

Shareholding Pattern as on 31st March, 2024

Category	No. of Shares Held	% of Shareholding
Promoters' Holding	20,190,529	74.25
Non-Promoters' Holding		
Mutual Funds	22,08,064	8.121
Alternate Investment Funds	84,500	0.311
Financial Institutions/ Banks	275	0.001
Foreign Portfolio Investors	1,35,367	0.498
IEPF	1,72,123	0.633
Individuals	38,66,512	14.220
NRIs	1,43,474	0.528
Bodies Corporate	1,98,880	0.731
Trust	545	0.002
HUF	1,69,088	0.622
Limited Liability Partnership	21,431	0.078
Clearing Member	96	0.000
Total	27,190,884	100.00

Distribution of shareholding as on 31st March, 2024

Shares Balance	No. of Holders	% of Holders	No. of Shares	% of Shares
1-500	37242	97.541	1874566	6.894
501-1000	526	1.378	393065	1.446
1001-2000	221	0.579	318398	1.171
2001-3000	61	0.160	152299	0.560
3001-4000	27	0.071	98011	0.360
4001-5000	24	0.063	108474	0.399
5001-10000	39	0.102	278018	1.023
10001 and above	41	0.106	23968053	88.147
Total	38181	100.00	27190884	100.00

Dematerialization of shares and liquidity

The Company's shares are available for dematerialization on both the depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). As on 31st March, 2024, 2,69,99,640 (99.30%) shares of the Company were in Dematerialized form. Demat ISIN No. of the Equity Shares of the Company is: INE782A01015.

Outstanding Financial Instruments which have an impact on Equity

The Company has not issued any GDRs/ADRs/warrants as on date.

Plant Location

Hitachi Complex, Village: Karannagar – 384 440 Ta.: Kadi, Dist.: Mehsana, Gujarat

Addresses for Correspondence

Company:

Johnson Controls-Hitachi Air Conditioning India Limited.
9th Floor, Abhijeet-1, Mithakhali Six Roads, Ahmedabad: 380 006 Ph.: 079-26402024

Registrars and Share Transfer Agent:

Link Intime India Pvt. Ltd
506-508 Amarnath Business Center-1 (ABC-1),
Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C.G Road, Ahmedabad-380006.
Ph.: 079-26465186 E-mail: ahmedabad@linkintime.co.in

Declaration under Code of Conduct:

To the Shareholders of

Johnson Controls-Hitachi Air Conditioning India Limited

On the basis of the affirmation letters received from Board Members and Senior Management Personnel, I declare that, they have complied with all the provisions of Code of Conduct laid down by the Board of Directors of the Company.

For Johnson Controls-Hitachi Air Conditioning India Limited

Sanjay Sudhakaran

Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of

Johnson Controls-Hitachi Air Conditioning India Limited

We have examined the compliance of the conditions of Corporate Governance by Johnson Controls-Hitachi Air Conditioning India Limited ("the Company"), for the year ended on March 31, 2024, as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause and applicable Regulations. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M. C. Gupta & Co.

Company Secretaries

UCN: S1986GJ003400

Mahesh C Gupta

Proprietor

FCS: 2047 (CP: 1028)

Peer Review: 5380/2023

UDIN: F002047F000852325

Place: Ahmedabad

Date: 30th July, 2024

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURE

I. Details of the Company

1	Corporate Identity Number (CIN) of the Listed Entity	L29300GJ1984PLC007470
2	Name of the Listed Entity	Johnson Controls-Hitachi Air Conditioning India Limited (referred as 'JCH-IN' or 'the Company')
3	Year of incorporation	1984
4	Registered Office address	9th Floor, Abhijeet-1, Mithakhali Six Roads, Ahmedabad: 380006, Gujarat
5	Corporate address	Hitachi Complex, Village Karan Nagar, Taluka Kadi - 384 440, Dist. Mehsana, Gujarat
6	E-mail	hitachi@jci-hitachi.com
7	Telephone	079-26402024
8	Website	https://www.hitachiaircon.com/in/about
9	Financial year for which reporting is being done	1st April, 2023 to 31st March, 2024
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11	Paid-up Capital	Rs. 271.9 Million
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Roopesh Jain – DVP – Legal & Secretarial Ph. 079-26402024 Mail: hitachi@jci-hitachi.com
13	Reporting boundary	Disclosures made in this report are on a standalone basis. As JCH-IN is a part of Johnson Controls, Inc., USA (JCI Group), several sustainability related policies framed by JCI Group have been adopted by us.
14	Name of assurance provider	Not applicable
15	Type of assurance obtained	Not applicable

II. Products/services

16 Details of business activities (accounting for 90% of the turnover)

Sr	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacture of Air Conditioners	Manufacturing and Trading (including after sales Services) of Air conditioners for residential and commercial use.	97.1

17 Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

Sr	Product/Service	NIC Code	% of Total Turnover contributed
1	JCH-IN is engaged in the manufacturing and trading of Air conditioners under the brand name Hitachi. Company is also engaged in providing after sales services of the products so manufactured and sold by it.	28192	97.1

III. Operations

18 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices			Total
		(Regional Offices)	Branch Offices	Engineering Excellence Center	
National	1	4	12	4	21
International	Nil	Nil	Nil	Nil	Nil

19 Markets served by the entity**a. Number of locations**

Locations	Number
National (Number of States)	28 States and 8 Union territories
International (No. of Countries)	9

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Export contribution in total turnover is 5.5%.

c. A brief on types of customers:

- Individual Customers (B2C).
- Corporate customers (B2B) including Shops, Offices, Corporate Buildings, Builders, Banks, Telecom Infra Companies, Hospitals, Malls, etc.
- Public Sector undertakings, Government/Semi Government offices, etc.

IV. Employees**20 Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

Sr.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	623	557	89.4%	66	10.6%
2.	Other than Permanent (E)	1415	1266	89.5%	149	10.5%
3.	Total employees (D+ E)	2038	1823	89.5%	215	10.5%
WORKERS						
4.	Permanent (F)	546	546	100%	-	-
5.	Other than Permanent (G)	794	539	67.9%	255	32.1%
6.	Total workers (F + G)	1340	1085	81.0%	255	19.0%

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	2	2	100%	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	2	2	100%	-	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	6	6	100%	-	-
5.	Other than permanent (G)	5	5	100%	-	-
6.	Total differently abled workers (F + G)	11	11	100%	-	-

21 Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14%
Key Management Personnel*	2	0	Nil

*Other than member of Board of Directors

22 Turnover rate for permanent employees and workers

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in current FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees	21%	35%	23%	22.8%	25%	23.1%	17%	24%
Permanent Workers	0.4%	-	0.4%	0.8%	-	0.8%	0.3%	-	0.3%

V. Holding, Subsidiary and Associate Companies (including joint ventures)
23 Details as at the end of March 31, 2024:

Sr.	Name of the holding / subsidiary / associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility and Sustainability initiatives of the listed entity? (Yes / No)
1	JCHAC India Holdco Ltd.	Holding Company	74.25%	No

VI. CSR details
24 CSR details

- (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- (ii) Turnover: Rs. 19187.0 Million
- (iii) Net worth (in Rs.): Rs. 5829.7 Million

VII. Transparency and Disclosures Compliances
25 Complaints / grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	-	Nil	Nil	-
http://www.johnsoncontrolsintegrityhelpline.com/							
Investors (other than shareholder)	There is no Investor other than shareholder						
Shareholders	Yes	Nil	Nil	-	3	Nil	-
https://buy.hitachiaircon.in/content/investors							
Employees and workers	Yes	20	6	-	25	8	-
http://www.johnsoncontrolsintegrityhelpline.com/							
Customers Service	Yes	562,155	2,123	Complaints received in Customer Care Centre	734,278	2,573	Complaints received in Customer Care Centre
https://www.hitachiaircon.com/in/contact-us							
Value Chain Partners	Yes	Nil	Nil	-	Nil	Nil	-
http://www.johnsoncontrolsintegrityhelpline.com/							

26 Overview of the entity's material responsible business conduct issues

Sr.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Power consumption - Star rating	Opportunity	With state of the art design and development capabilities, Company can produce energy efficient products	-	Positive Energy efficient products are increasingly being preferred by consumers
2	Power consumption - Star rating	Risk	Government continues to revise rating parameters (Energy Efficiency Ratio) upwards	Company has adequate research and development capabilities to cater to technological upgradation requirements	Negative Cost implications in terms of continuous design and development and technological upgradation requirements
3	Low Penetration	Opportunity	India has a tropical climate and with rising temperatures, without air conditioning, there are productivity losses	-	Positive With increase in sales, it will generate more revenue for the company
4	Use of Refrigerants Gases	Risk	Certain refrigerants used are identified as Ozone Depleting	Company is continuously working on developing products which use non-ODS refrigerants	Negative There are technological upgradation costs and also non-ODS refrigerants are costlier
5	Responsibility / obligations under various environmental laws	Risk	Air Conditioners and Refrigerators become E-Waste at the end of their useful life. Also, Plastic used for packaging purposes need to be recycled under Extended producer Responsibility obligations Water usage at the manufacturing site Generation of Hazardous waste during manufacturing process	Engaging with Producer Responsibility Organisations (PRO) / Recyclers for collection and channelization of E-waste / Plastic Waste Implementation of Water Conservation initiatives ZERO landfill	Negative Recycling costs Infrastructure Development costs Disposal Costs
6	Automation of processes	Opportunity	In various processes, automation reduces errors and helps in accuracy of data and process.	Considering the cost and benefit analysis and payback period, Company continues to make investments in Automation of process.	Positive
7	Health and Safety	Risk	Company is providing training to employees and workers for Health and Safety which helps in reducing accidents.	Company has framed policies for Health and Safety which are to be complied with by all employees including workers. Relevant insurance has also been taken by Company	Negative Requires incurring costs on regular and continuous monitoring of compliance of Health and Safety related norms framed by Company.

Sr.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Human capital	Opportunity	Human assets play a key role in seamless driving of operations in today's ever-evolving business environment.	Company's focus is on providing its people a work environment that welcomes diversity, nurtures positive relationships, provides challenging work assignments and provides opportunities based on meritocracy for people to grow and build their careers with Company, in line with their aspirations.	Positive
9	Customer Satisfaction towards products quality	Opportunity	Changing lifestyles of Indian consumers have created a growing need for accessible and convenient products that improve comfort level of customers. Increased affordability, a focus on energy efficiency, digital penetration, and rising aspirations are driving Indian Air Conditioning industry's growth.	Company is continuously working on product innovation to meet the demand for better quality, feature rich and energy efficient products.	Positive
10	DE&I	Opportunity	Diversity, Equity and Inclusion empowers every employee to take an active role in creating a culture that values uniqueness, celebrates creativity and drives innovation.	Company's inclusive culture drives the right mindsets and behaviors, unlock engagement, accelerate productivity and foster innovation, leading to exceptional outcomes.	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Following nine (9) principles are prescribed under 'The National Guidelines for Responsible Business Conduct (NGRBC)' by the Ministry of Corporate Affairs:

Principle 1	Ethics	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
Principle 2	Safe and sustainable Products	Businesses should provide goods and services in a manner that is sustainable and safe
Principle 3	Human Resources	Businesses should respect and promote the well-being of all employees, including those in their value chains
Principle 4	Stakeholder concerns	Businesses should respect the interests of and be responsive towards all its stakeholders
Principle 5	Human rights	Businesses should respect and promote human rights
Principle 6	Environment	Businesses should respect, protect and make efforts to restore the environment
Principle 7	Transparency in business influencing public	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Principle 8	Business growth and development	Businesses should promote inclusive growth and equitable development
Principle 9	Consumer engagement	Businesses should engage with and provide value to their consumers in a responsible manner

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	All policies have been approved by Board.								
c. Web Link of the Policies, if available	Policies are available on: https://buy.hitachiaircon.in/content/investors								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Various SOPs are in place to comply with Principles for responsible business conduct.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Policies are in line with global / local standards and practices such as ISO 9001, ISO 14001, OHSAS 45001, NABL accreditation, BIS Certifications, etc.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ul style="list-style-type: none"> - To participate and contribute in initiatives of Parent Company (JCI) towards reduction of Carbon emissions. - Reduction of Energy consumption in operations – continuous process - Producing Energy efficient products –continuous process - Under its DE&I initiative - To increase participation of women in business operations. - To continue to contribute towards Social welfare measures (CSR). 								
6. Performance of the entity against the specific commitments, goals and targets alongwith reasons in case the same are not met.	<ul style="list-style-type: none"> -- Company has transitioned the Inverter Room AC models to low GWP R32 refrigerant, and now most of the Room AC range is offered in R32. - Under DE&I initiative, in Financial year 2023-24, 10.6% are female employees were employed as against 11.3% in 2022-23. - Amount of Rs. 2.1 Million spent towards Corporate Social Responsibility. 								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility and sustainability report, highlighting ESG related challenges, targets and achievements

Sustainability creates long term benefits to Customers, Vendors, Employees, Investors and Society at large. Sustainable way of doing business has become our priority. We always think of augmenting the experience of all our stakeholders including Consumers, Channel Partners, Vendors, Service Providers and Employees in dealings with us and/or while using our products and/or services. We have taken various sustainability initiatives so as to contribute for a better world.

We follow Environment related regulations in true letter and spirit. In January, 2021, (our Parent Company) announced ambitious new sustainability commitments that outline JCI's priority to make positive changes in reducing JCI's environmental footprint. Building on JCI's history of sustainability leadership, JCI is committed to achieve net zero carbon emissions before 2040 and JCI has announced science-based targets for 2030, which we are following. JCI is elevating sustainability as a key performance metric for preferred suppliers while also launching a supplier cohort training initiative to cut supplier emissions.

To give back to society, there are several projects on which Company is spending as per its Corporate Social Responsibility (CSR) obligation which includes, Health, Sanitation, Education, Vocational training, etc. and the Company will continue to spend on Corporate Social Responsibility in coming years also.

Under Diversity, Equity and Inclusion (DE&I) Program, we are committed to shape a diverse and inclusive team that will help us to continue to attract the best talent and drive best in-class performance of our offerings. We are committed to increase the representation of women employees in coming years.

Sustainability is a journey not a goal. Though, we still have a lot to do in coming years, this is not new for us. We trust that sustainability is where we came from. We are firmly committed to continue building a world that's safe, comfortable and sustainable.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Managing Director								
9. Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. Board has formed an ESG Committee to make decision on sustainability related issues.								

10. Details of Review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	As a practice, BRSR policies of the Company are reviewed periodically or on need basis by department heads, business heads and executive directors. During this assessment, the efficacy of the policies are reviewed and necessary changes, if required, to policies and procedures are implemented.																	
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Company is in compliance with the extant regulations as applicable.																	

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	As of now, the processes and compliances are subject to review by internal auditors, HR, Legal and Compliance functions.								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated: Not applicable.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the Principles during the financial year:

Segment	Total number of training and awareness program held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness Program
Board of Directors (Non-Independent Directors)	5	<ul style="list-style-type: none"> Code of Conduct Anti-bribery and anti-corruption Prevention of Sexual Harassment Diversity, Equity and inclusion Health and Safety 	100%
Key Managerial Personnel	5	<ul style="list-style-type: none"> Code of Conduct Anti-bribery and anti-corruption Prevention of Sexual Harassment Diversity, Equity and inclusion Health and Safety 	100%
Employees other than Board of Directors and KMPs	5	<ul style="list-style-type: none"> Code of Conduct Anti-bribery and anti-corruption Prevention of Sexual Harassment Diversity, Equity and inclusion Health and Safety 	100%
Workers	3	<ul style="list-style-type: none"> Code of Conduct Prevention of Sexual Harassment Health and Safety 	100%

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	NGRBC Principle	Monetary		Brief of the Case	Has an appeal been preferred? (Yes/No)
		Name of the Regu-latory/ enforce-ment agencies/ judicial institutions	Amount (In Rs.)		
Penalty/ Fine					
Settlement		No such incident			
Compounding Fee					
Non-Monetary					
Imprisonment					
Punishment		No such incident			

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes.

According to Ethics policy followed by Company, the Value of keeping Integrity First strengthens Company's reputation as a trustworthy and reliable business partner. Company does not believe in "buying" business, nor dealing with those who encourage or tolerate corrupt practices. Corruption harms communities, distorts the marketplace and makes it harder for everyone to do business. Regardless of local customs or the practices of other companies, the Company resists corruption in all its forms. Company avoids even the appearance of acting improperly, whether dealing with government officials or private enterprise.

Company vigorously opposes bribery and other forms of corruption by:

- Never offering, promising or giving anything of value to a government official or anyone else in order to gain a business advantage.
- Refusing to accept bribes or kickbacks and notifying the Compliance Department if they are offered.
- Keeping accurate and complete records so that all payments are honestly detailed and Company funds are not used for unlawful purposes.
- Conducting appropriate due diligence on all its high risk third-party service providers / consultants.
- Not using an agent or other third party to make improper payments that Company would not make itself.
- Following Third Party Travel, Gifts and Entertainment Policy and Anti-Corruption Policy diligently.
- Reporting any concern about a potentially improper payment.

Website link: <https://buy.hitachiaircon.in/cms/materials/0b0376ec04.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Directors / KMPs / Employees / Workers	No such incident	No such incident

6. Details of complaints with regard to conflict of interest:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Number of complaints received in relation to issues of Conflict of Interest of the Directors / KMPs	No such incident	No such incident

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Number of days of accounts payable	70	80

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial year)	FY 2022-23 (Previous Financial year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from.	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to Dealers / Distributors as % of total sales	82.4%	83.4%
	b. Number of dealers / distributors to whom sales are made	1283	1366
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	21.2%	19.0%
Share of RPTs in	a. Purchases (Purchases with related parties / Total purchases)	17.0%	22.0%
	b. Sales (Sales to related parties / Total Sales)	3.7%	3.4%
	c. Loan & Advances (Loan and advances given to related parties / Total loans & Advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	Nil	Nil

Leadership Indicators

1. Awareness program conducted for value chain partners on any of the Principles during the financial year:

Channel Partners and Vendors are made aware of the Company's Ethics Policy and Integrity Helpline through agreements, due diligence processes and mandatory declarations.

Said Ethics policy is placed in public domain and is accessible to all value chain partners. Link for the same is <https://buy.hitachiaircon.in/cms/materials/0b0376ec04.pdf>

For raising their concerns or whistle blower complaints Company provides various options to its Value Chain Partners viz, through Vigil Mechanism <https://buy.hitachiaircon.in/cms/materials/c8d657bdb1.pdf> and also through its global integrity helpline <http://www.johnsoncontrolsintegrityhelpline.com/> besides the option for reaching out to Procurement, Manufacturing and Sales leadership.

Total number of programs held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programs
		Nil

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes.

A conflict of interest exists whenever social or family relationships, activities outside of work, financial investments or other personal interests are at risk of interfering with our ability to make unbiased decisions on behalf of the Company. Board Members must be careful to avoid even the appearance of a conflict of interest.

On annual basis, each Board Member of the Company submits an Annual declaration with the Company in this regard.

Besides this, the Ethics Policy / Code of Conduct requires all employees including Board members to disclose their Conflict of Interest for a perspective transaction. In case, it is found that any person has failed to disclose his conflict of interest, strict disciplinary action is taken against him irrespective of his position / hierarchy

JCI (Our Parent Company) has featured amongst World’s most ethical companies for 16 consecutive years and we follow all the ethical policies, processes and code of conduct in line with global policies.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year	Details of improvements in environmental and social impacts
R & D	63.6%	60%	Migration to R32 refrigerant for RAC, Digital Manuals, Future ready for Energy rating enhancements
Capex	Nil	Nil	-

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2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No. However, majority of the materials sourced are complying with RoHS requirements. Company is purchasing Plastic packaging materials as per norms prescribed under the extant Plastic Waste (Management and Handling) Rules.

b. If yes, what percentage of inputs were sourced sustainably?

Not Applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

a. Plastic waste: Company is complying with extant Plastic Waste (Management and Handling) Rules including using minimum micron Plastic. Company is also complying with Extended Producer Responsibility requirements under said Rules. Besides, company is exploring use of compostable and other non-polluting plastics for packaging purposes. The plastic parts which are part of product are channelized as E-waste and are recycled in an Environment Friendly manner.

b. E-Waste: Company has made arrangements to channelize end of life products through registered Recyclers.

c. Hazardous Waste: Company is complying with the norms and ensuring that there is Zero Landfill.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes.

E-Waste: Extended Producer Responsibility (EPR) is applicable to the Company’s products - Air Conditioners and Refrigerators. Waste collection plan of the Company are in line with the EPR plan submitted with Central Pollution Control Board.

Plastic Waste: EPR is applicable to plastic packaging. Company complies with EPR requirement under Plastic Waste Management Rules in line with EPR plan submitted with Central Pollution Control Board.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

No Life Cycle Assessment carried out for any product of the Company.

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the life Cycle Perspective / Assessment was conducted	Whether conducted by independent External agency (Yes / No)	Results communicated in public domain (Yes / No) If yes, provide the web-link
Not applicable					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/ Service	Description of risk / concern	Action taken
Air Conditioners	HCFC (Refrigerant) Gas used in the Air Conditioners	Using different Refrigerant Earlier we were manufacturing several products which used the refrigeration R22 which was an ODS and had a high GWP. Now, we have shifted to R32 technology and majority of our products are using R410A and R32, both of which have low GWP than R22. We are in the process to shift all our new production to Green Refrigerants in FY 2024-25.
Air Conditioners and Refrigerators	At end of their useful life, both are categorized as E-waste. Also, the plastic used in the packaging is also an environmental concern	We are complying with Extended Producer Responsibility regulations for both E-waste and plastic waste

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
	Nil	Nil

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastic (Including packaging)	Nil	1930.00 MT	Nil	Not reclaimed	Nil	Nil
E-Waste	Nil	8154.60 MT	Nil	Not reclaimed	6254.35 MT	Nil
Hazardous Waste	Nil	Nil	Nil	Not reclaimed	Nil	Nil
Other Waste	Nil	Nil	Nil	Not reclaimed	Nil	Nil

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	
	Considering the nature of product, it is not feasible and practical to reclaim back the product and packaging material. We ensure that our spare parts are freely available and also the products are compatible with parts used by other companies.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**Essential Indicators****1. a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	557	557	100%	557	100%	-	-	-	-	-	-
Female	66	66	100%	66	100%	66	100%	-	-	49	74%
Total	623	623	100%	623	100%	66	11%	-	-	49	8%
Other than Permanent employees											
Male	1266	1266	100%	1266	100%	-	-	-	-	-	-
Female	149	149	100%	149	100%	149	100%	-	-	15	18%
Total	1415	1415	100%	1415	100%	149	100%	-	-	15	18%

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	546	546	100%	546	100%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	546	546	100%	546	100%	-	-	-	-	-	-
Other than Permanent workers											
Male	539	539	100%	539	100%	-	-	-	-	-	-
Female	255	255	100%	255	100%	255	100%	-	-	255	100%
Total	794	794	100%	794	100%	255	32%	-	-	255	32%

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2023-24 Current Financial Year	FY 2023-24 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the Company	-Nil- Wellbeing programs conducted through internal resources	-Nil- Wellbeing programs conducted through internal resources

2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	No of employees covered as a % of total employees	No of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	No of employees covered as a % of total employees	No of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	N	100%	100%	N
ESI	0%	0.2%	Y	0%	0.3%	Y

3. Accessibility of workplaces : Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Company has provided Lift Facilities and ramps at its Works & Head office at Kadi to make it accessible for differently abled employees and workers. Majority of our branches / sales offices are in business centres which have elevators and ramps and are accessible for differently-abled employees. Company continues to identify areas to improve accessibility of its work places for Disabled people.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. As per our ethics policy, we base employment decisions on qualifications, aspirations and performance, never on prejudice or bias. Giving everyone a fair chance is the right thing to do. We won't tolerate discrimination on the basis of race, color, religion, national origin, gender, pregnancy, age, disability, sexual orientation, gender identity, marital status, military service or any other status protected by law. Through its Diversity, Equity and Inclusion (DE&I) initiative, the company has the goal to enhance the employability of people with disabilities. Weblink to policy -

<https://buy.hitachiaircon.in/cms/materials/0b0376ec04.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100%	100%	NA	NA
Total	-	-	-	-

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

Yes

The Integrity Helpline is a tool that allows people (including employees and Workers) to report concerns anonymously, if they choose. Once a person reports a concern, he or she can correspond anonymously with the assigned investigator through the Helpline. This open line of communication during the investigation often helps speed up the investigation process and makes it more thorough.

The Integrity Helpline allows reporters to receive email notifications as the investigations team looks into the concern. Reporters choosing to receive notifications will be asked to provide an email address to receive communications. An independent third party protects the identity of the email address provided, and does not share the address with Johnson Controls. Also identities of reporters are kept strictly confidential and there is a strict 'No Retaliation Policy' with respect to concerns raised in good faith.

Categories	Mechanism
Permanent Workers	Anyone including employees and workers both permanent and contractual can report an incident via the Integrity Helpline online link or by calling the Integrity Helpline local number.
Other than Permanent Workers	
Permanent Employees	Integrity Helpline -
Other than Permanent Employees	http://www.johnsoncontrolsintegrityhelpline.com/ Contact Nos.: 000-800-100-7127, 033-7127-9005 For workers, complaint boxes are also placed at various convenient places.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total employees / workers in respective category (A)	No of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	623	-	-	746	-	-
Male	557	-	-	662	-	-
Female	66	-	-	84	-	-

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total employees / workers in respective category (A)	No of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Workers	546	546	100%	615	615	100%
Male	546	546	100%	615	615	100%
Female	-	-	-	-	-	-

8. Details of training given to employees and workers

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	On Health and safety measures	On Skill upgradation	Total (D)	On Health and safety measures	On Skill upgradation
Employees						
Male	557	557	557	662	662	662
Female	66	66	66	84	84	84
Total	623	623	623	746	746	746
Workers						
Male	546	546	546	615	615	615
Female	-	-	-	-	-	-
Total	546	546	546	615	615	615

9. Details of performance and career development reviews of employees and worker

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	557	557	100%	662	662	100%
Female	66	66	100%	84	84	100%
Workers						
Male	546	546	100%	615	615	100%
Female	-	-	-	-	-	-

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes.

JCH-IN has implemented Occupational Health & Safety Management System which is being managed and supervised by EHS Team.

The H&S Management system covers following areas of work.

- Workplace Monitoring
- Workplace Safety Management
- Industrial Hygiene study
- Health & Safety Campaigns
- Fire Safety Management
- Periodic Occupational Health Testing/ Check-Ups.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Each process / operation taking place in JCH-IN Plant is assessed with respect to Health & Safety through various Risk Assessment methodologies and tools. Risk Assessment of respective processes is reviewed at least once in an year and also as and when any changes or any incident happens in that particular process.

Moreover, for new equipment installation / process change or any additional work other than routine work there is a system of MOC (Management of Change) in which process is reviewed by EHS Team and CFT (Cross Functional Team) thoroughly for any EHS related aspects, if any, before commencing such installation / process / activity or implementing any change.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

JCH-IN does have various methods to record / report work related hazards which covers bottom level worker to top leaders of the organization.

For Example:

- EHS suggestion box
- QR Code system for reporting unsafe condition and unsafe act.
- Safety Workshops
- Daily EHS Safety Patrol
- Weekly Safety Gemba Walk led by Plant Manager, HODs and Section Managers
- Circulation of safety related messages on Whats App groups – “Safety Warriors”
- Elimination of Identified Hazard: Once Hazard is identified it is communicated to concerned department and is thereafter monitored for timely closure by EHS through regular 1:1 follow ups, through emails and during PCC review meetings.
- Integrity Helpline

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. Healthcare services are made available to all workers and employees both permanent and contractual in factory during working hours irrespective of nature of health concern. All Employees and Workers both permanent and contractual are covered under ESI and/or Group Medclaim / Personal Accident Policies.

11. Details of safety related incidents, in the following format:

Safety Incident / Number	Category	FY 2023-24	FY 2022-23
		Current Financial Year	Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	0.22	0.37
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	3	4
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Following measures have already been implemented and being followed.

1. Compliance to Global and regional EHS policy
2. PPE rules and availability of standard PPEs to every worker/employee on FOC basis
3. Worker/Employee trainings and awareness programs
4. Daily EHS safety patrol and weekly Safety Gemba walk led by Plant Manager, HODs and other section managers.
5. Hazard Identification & Risk Assessment system and timely closure of Identified hazards

6. Safety Suggestions system
7. Regular Safety Workshops
8. EHS related event celebrations. i.e. National Safety Week, Zero Harm Week, Environment Day etc.
9. Periodic EHS committee meetings
10. Change management – MOC
11. Integrated (ISO 45001 and 14001) management certification
12. Digitisation for reporting of Hazard, Near miss and incident reporting
13. Reward and Recognition system
14. Safety incident reporting to management and sharing lessons learnt from safety incidents occurring in other JCI locations and happening in external world with workers, employees and after sales service providing vendors

13. Number of Complaints on the following made by employees and workers

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditioners	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions Details required from EHS

As part of the corrective actions, incorporate amendments to risk assessment procedures, implement competency-building programs for both employees and contract workers, address areas for improvement, establish consequence management protocols, and institute reward and recognition initiatives.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Employee: Yes, In the event of accidental death of an employee, the family gets an amount equal to 3 times his/her gross annual salary. For death due to any other reason, the family gets an amount equal to 2 times his/her gross annual salary.

Workers: Yes, In the event of accidental death of a worker, the family gets an amount equal to 3 times his/her gross annual salary. For death due to any other reason, the family gets an amount equal to 2 times his/her gross annual salary.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

As per the prevailing processes adopted by the company, the invoices of manpower suppliers and of those service providers which provide labour services at our facilities, are processed only after they submit proof of having deposited their statutory dues viz., PF and ESI etc. In various other cases, declarations are sought. The agreements with all the vendors obligate them to deposit statutory dues.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees / workers		No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
	Employees	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No. Company do not have a formal program of such a nature.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Not assessed
Working Conditions	Not assessed

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The corrective actions from assessments of health and safety practices and working conditions of value chain partners are Contractor Safety management, Consequence management, Continuous Improvement Initiatives, SHE conclave for awareness on safety.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The company has identified following groups as key stakeholders through a stakeholder mapping exercise:

- Shareholders including Promoters
- Customers
- Dealers / Sales Channel partners.
- Service Franchisees / After Sales Service providing partners
- Raw material Suppliers
- Employees including contract workers
- Financial Institutions
- Other service providers
- Government

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Email, SMS, Newspaper, Website	Ongoing	Feedback and Product Offerings
Dealers / Channel partners	No	Email, SMS, Pamphlets, Community Meetings, Website, Personal visits	Ongoing	Resolving concerns, Budget and Targets
Service Franchisees	No	Email, SMS, Pamphlets, Personal visits	Ongoing	Resolving concerns, Budget and Targets

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers	No	Email, SMS, Community Meetings,	Ongoing	Resolving concerns, Quality controls, Price Negotiations
Shareholders	No	Email, SMS, Newspaper, Website	Ongoing	Notice of General Meetings, E-voting instructions, Financials and Annual Report
Employees	No	Email, SMS, Meetings, Notice Board, Website, Intranet	On-going	Regular communication through various modes

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Process owners like HR Head, Manufacturing Head, Operations Head, Legal Head and CFO take part in Audit Committee Meetings and Board Meetings and provide feedback to the Board on matters of concern with respect to economic, social and environmental matters.

For social matters, CSR team periodically engages with natives of nearby villages through their respective village heads with respect to their requirements and issues faced by them and based on their analysis of such issues and requirements, CSR Team makes suggestions to Board for undertaking CSR activities.

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2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

After consultation with stakeholders in the vicinity of company’s manufacturing unit, Company has received following inputs:

- a. Lack of specialist medical facilities for villagers.
- b. Women hygiene issues explained by ASHA workers.
- c. Inputs on facilities at schools by village panchayats and primary school principals.
- d. Input from local authorities about employment.

These consultations were used to plan CSR activities.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

After receipt of inputs as mentioned in above clause 2, Company has projected CSR activities with the approval of CSR Committee and Board of Directors:

- a. For lack of specialist medical facilities for villagers, Company has provided medical specialist to local PHC along with ambulance.
- b. With respect to Women hygiene input by ASHA workers Company has started sanitary napkin unit to provide free sanitary napkins to around 8000 rural girls and women.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of Employees / workers covered (B)	% (B / A)	Total (C)	No. of Employees / workers covered (D)	% (D / C)
Employees						
Permanent	623	623	100%	746	746	100%
Other than permanent	1415	-	-	1,052	-	-
Total employees	2038	623	30.57%	1,798	746	41.5%
Workers						
Permanent	546	546	100%	615	615	100%
Other than permanent	794	794	100%	1,111	1,111	100%
Total workers	1340	1340	100%	1,726	1,726	100%

2. Details of minimum wages paid to employees and workers in the following format:

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	%(B/A)	No. (C)	%(C/A)		No. (E)	%(E/D)	No. (F)	%(F/D)
Employees										
Permanent	623	-	-	623	100%	746	-	-	746	100%
Male	557	-	-	557	100%	662	-	-	662	100%
Female	66	-	-	66	100%	84	-	-	84	100%
Other than permanent	1415	-	-	1415	100%	1,052	-	-	1,052	100%
Male	1266	-	-	1266	100%	978	-	-	978	100%
Female	149	-	-	149	100%	74	-	-	74	100%
Workers										
Permanent	546	-	-	546	100%	615	-	-	615	100%
Male	546	-	-	546	100%	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than permanent	794	-	-	794	100%	1,111	-	-	1,111	100%
Male	539	-	-	539	100%	901	-	-	901	100%
Female	255	-	-	255	100%	210	-	-	210	100%

3. Details of remuneration/salary/wages, in the following format

- a. Median remuneration / wages:

	Male		Female	
	Number	Median (Monthly) remuneration / salary / wages of respective category (in Rs. Million)	Number	Median remuneration / salary / wages of respective category (in Rs. Million)
Board of Directors (BoD)	2	1.7*	-	-
KMP	4	1.2*	-	-
Employees other than BoD and KMP	554	0.13	66	.10
Workers	615	0.04	-	-

* Mean considered instead of Median due to small number of BoD and KMP.

b. Gross wages paid to females as % of total wages paid by the entity:

Safety Incident / Number	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Gross wages paid to females as % of total wages	7.3%	7.5%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Ethics Policy and the Integrity Helpline addresses this aspect. 'Speak Up' campaigns and communications are made to encourage employees / stakeholders to report concerns regarding human rights. Besides, such concerns can also be reported to respective supervisors, HR and Legal.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Johnson Controls, Company's parent entity, continually strives to uphold human rights principles throughout its operations worldwide. A Human Rights Policy is in place. Supervisors are responsible for helping their team members comply with this policy.

Employees are expected to comply with the policy, and submit their questions or concerns to supervisory staff or to members of Human Resources, Legal.

Employees are also encouraged to raise any issues and concerns through Integrity Helpline for investigation at: www.johnsoncontrolsintegrityhelpline.com. To give confidence, employees/workers also have the options to raise concerns anonymously.

6. Number of Complaints on the following made by employees and workers

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	2	0	-	1	0	-
Discrimination at workplace	11	2	-	1	0	-
Child labor	-	-	-	-	-	-
Forced labor / involuntary labor	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Total complaints reported under Sexual harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	1
Complaints on POSH as a % of female employees / workers	3.03%	1.19%
Complaints on POSH upheld	1	1

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Company has a strict 'No Retaliation' policy for concerns raised in good faith. Confidentiality of concerns raised is maintained and anonymity is respected. 'Speak Up' culture is promoted across the organisation to report matters of concern.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. In all the agreements with third parties, there are clauses relating to compliance with Ethics Policy of the Company which need to be agreed by the other Party. Upholding of Human Rights is one of the basic tenets of our Ethics Policy.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	No assessment was carried out in manufacturing plant and/or any office on Child Labour, Sexual Harassment, Discrimination, Wages etc. either on its own or through any third party. However, in JCH-IN there is Zero tolerance towards any such kind of issues. JCH-IN strictly adheres to Ethics Policy which gives mandatory guidelines for welfare and upholding of human rights of its workers and employees.
Forced / involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	
Others - Social Security, Medical Facilities, Non-monetary Benefits to employees / workers	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

There was no such instance.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

As such no due diligence is done by any third party. There are internal controls to ensure that no human rights violations happen in the organisation and of contractual staff who works outside the company's premises.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, it is accessible. We continue to work and improve the accessibility.

4. Details on assessment of value chain partners.

In Agreement with Value Chain partners, the clauses regarding below points are covered however, assessment of value chain partners has not been done.

	% of value chain partners (by value of business done with such partners) that were assessed
Child labor	-
Forced / involuntary labor	-
Sexual harassment	-
Discrimination at workplace	-
Wages	-
Others - please specify	-

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable as no assessment Value Chain Partners on such parameters was done.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
From renewable sources (In Gigajoules)	-	-
Total electricity consumption (A)	23,045	26,009
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	23,045	26,009

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
From non-renewable sources (In Gigajoules)	-	-
Total electricity consumption (D)	28,204	43,617
Total fuel consumption (E)	17,918	21,375
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	46,122	64,992
Total energy consumed (A+B+C+D+E+F) (In Gigajoules)	1,55,288	91,001
Energy intensity per rupee of turnover	0.00000809	0.00000382
(Total energy consumed / Revenue from operations)		
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	0.00018519	0.00008736
(Total energy consumed / Revenue from operations adjusted for PPP)		
Energy intensity in terms of physical output	0.29844137	0.13113216

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No. We are not Designated Consumer under Performance, Achieve and Trade Scheme.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Water withdrawal by source (in Kiloliters)		
(i) Surface water	Nil	Nil
(ii) Groundwater	65,143	83,326
(iii) Third party water	Nil	Nil
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of Water withdrawal (in Kilolitres)	65,143	83,326
Total volume of water consumption (in Kilolitres)	65,143	83,326
Water intensity per rupee of turnover (Water consumed / turnover)	0.00000340	0.00000349
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	0.00007769	0.00007999
(Total water consumption / Revenue from operations adjusted for PPP)		
Water intensity in terms of physical output	0.41949797	0.91566027

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Provide the following details related to water discharged:

Parameter	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others (Used for gardening)	-	-
- No treatment	-	-
- With treatment – (Tertiary treatment)	25,351	34,585
Total water discharged (in kilolitres)	25,351	34,585

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:**
 The water drawn is used for industrial and domestic purposes. After usage, the water is treated in ETP/STP and such treated water is used for Gardening to ensure that there is no external discharge. It is ensured that no quantity of water is allowed to run off outside factory premises or discharged in streams.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
		Current Financial Year	Previous Financial Year
NOx	mg/Nm ³	10	11
Sox	mg/Nm ³	22	7
Particulate matter (PM)	mg/Nm ³	23	55
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others - please specify	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Total scope 1 emissions (Break-up of the GHG GH into CO ₂ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tons of CO ₂ equivalent	25759	28617
Total scope 2 emissions (Break-up of the GHG GH into CO ₂ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tons of CO ₂ equivalent	6674	8515
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.00000169	0.00000156
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.00003868	0.00003565
Total Scope 1 and Scope 2 emission intensity in terms of physical output		0.20885709	0.40803947

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

It is important to conserve energy to reduce GHG emissions. JCH-IN is continuously working on energy conservation projects. JCH-IN team have constituted Energy Conservation Team at plant level in which Environment (EHS), Utility, Maintenance & Continuous Improvement (CI) team is taken as permanent members while operators of different operations have been taken as non-permanent members. We also identify opportunities to convert / shift our energy requirements from fossil fuel to renewable energy sources. As of today, around 40% of our energy requirements for production purposes are met through renewable sources.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Total Waste generated (in metric tons)		
Plastic waste (Pre Consumer) (A)	40	63
E-Waste (Pre Consumer) (B)	74.16	73.86
Construction and demolition waste (C)	Nil	Nil
Battery waste (D)	Nil	Nil
Radioactive waste (E)	Nil	Nil
Other Hazardous waste. Please specify, if any (G)	17.96	8.84
Used Oil	9.86	2.31
Discarded Container	5.09	5.61
ETP Sludge	0.56	0.23
Powder paint	Nil	0.69
Waste or residue containing oil	2.45	Nil
Other non-hazardous waste generated (H) please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	3224	4328
Total (A+B+C+D+E+F+G+H)	3356.18	4473.70
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category of waste		
(i) Recycled		
Plastic Waste	1930	1174.02
Electronic Waste	7559.82	6254.35
(ii) Re-used		5.61
(iii) Other recovery options		0.23
Total		7434.21
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Category of waste		
(i) Incineration	3.01	0.69
(ii) Landfilling	0.00	0.00
(iii) Other disposal operations	-	-
Total	3.01	0.69

*includes EPR obligations

JCH-IN is under an obligation (Extended Producer Responsibility Obligation) to channelize E-waste, generated by its customers owing to use of Room Air Conditioners and Refrigerators sold by it, towards environment friendly recycling. JCH-IN engages Recyclers / PRO's (Producer Responsibility Organisation) to ensure recycling of E-waste in an environment friendly manner. Similarly, beginning financial year 2022-23, JCH-IN is under an obligation to channelize Plastic Waste generated due to plastic material used in packaging and sold in the market.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

JCH-IN ensures that all kind of waste generated during the production process is disposed of in an environment friendly manner. The disposal of all kinds of wastes happens through recyclers and waste processors authorised by Pollution Control Board and/or other authorities as applicable.

JCH-IN ensures compliance with RoHS provisions to limit the use of hazardous substances in its products. It obtains certifications / test reports to this effect from all its vendors supplying raw material / components to be used in its products.

All kinds of waste is segregated at source and disposed off with the help of vendors specializing in the processing / recycling of the respective category of waste.

JCH-IN has adopted Waste Minimization Program which commences from reduction / prevention at Source, Reuse / Recycle, Energy Recovery, Treatment & Disposal. By adopting this methodology we have ensured ZERO WASTE TO THE LANDFILL and ensured minimal generation of waste which is required to be disposed of directly without being reused / recycled / used for energy recovery.

Communications to this effect are regularly made by EHS function to all the employees and workers from time to time to reinforce these practices at shop floor as well as in office areas. They are also encouraged to share ideas for conservation of environment.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	Not applicable		No offices or operations are present in ecologically sensitive areas

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA notification No.	Date	Whether conducted by independent external agency (Yes / No)	remove results communicated in public domain (Yes / No)	Relevant web link
Not applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes

Sr.	Specify the law / regulation /guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any,
Not applicable				

Leadership Indicators**1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

Not applicable. Neither our factory nor any of our offices withdraw, consume and discharge water in areas of water stress (areas which are categorized as Critical or Over Exploited by CGWB)

For each facility / plant located in areas of water stress, provide the following information: Not applicable

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) To Surface water	-	-
(ii) To Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
		Current Financial Year	Previous Financial Year
Total scope 3 emissions (breakup of the GHG into CO2, CH2, N2O, HFCs, PFCs, SF6 I have, NF3, if available)	Metric tons of CO2 equivalent	-	-
Total scope 3 emissions per rupee of turnover	Metric tons of CO2 equivalent	-	-
Total scope 3 emission intensity (optional) - the relevant metric may be selected by the entity	Metric tons of CO2 equivalent	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assessment has been carried out.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable as none of the offices or operations are carried out in any ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr.	Initiative undertaken	Details of the initiative (web link, if any, may be provided along with summary)	Outcome of the initiative
1	Installation of Fuel Catalyst PNG Line	In process of manufacturing, Company use PNG (Piped natural gas) as a primary fuel for various applications of heating. Company has Installed FUEL CATALYST in PNG line which will help to improve the efficiency of PNG	Fuel saving by 5% ~12% along with reduction in Air Pollution and improvement in equipment life.
2	A part of BMS, Company has installed Air Conditioning monitoring device for PAC Air conditioners of office area.	In phase one Company is going to manage switching of air conditioning in planned manner to avoid wastage of usage in non-office hours as well as on holidays.	By doing this there will be around 67 K-Kwh savings in a year.
3	Installation of Plant Street light lux-based switching system.	There by saving in waste of energy due to seasonal lighting calculations.	Company will save around 6750 Kwh per annum.
4	Migration to R32 refrigerant for Room Air conditioner	This year Company has transitioned the Inverter RAC models to low GWP R32 refrigerant, and now most of the RAC range is offered in R32.	The new R32 Inverter split range has an enhanced ISEER of 7% average Vs previous R410A baseline
5	Installation of rooftop solar plant	Installation of 33.15 KW Solar System on GDC Office Terrace.	Due to that green House Gas (GHG) Reduction and it's renewable energy.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The plant's code of conduct for all employees is outlined in the company's On Site Emergency Management Plan (OSEMP), which also details what to do in the case of an emergency. This plan lays out rules for workers, subcontractors, carriers, etc. Along with outlining individual responsibilities, it also provides information on timely rescue operations, evacuations, rehabilitation, coordination, communication, and the process for obtaining outside assistance from law enforcement and surrounding businesses. The Emergency, Preparedness, and Response Procedure covers the fundamental protocols that the plant will follow in the event of an emergency. The following emergency scenarios are covered by this plan's responses:

- Spills/releases or environmental releases
- Fires
- Explosion
- Natural Disaster such as Flood, Earthquake, lightning etc.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not applicable

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

No. Company is in process to assess the value chain partners with respect to environmental impacts.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

JCH-IN has Four affiliations with trade and Industry Chambers / Associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr.	Name of the Trade and Industry chambers / associations	Reach of Trade and Industry chambers/associations (State/National)
1	CEAMA	National
2	RAMA	National
3	CII	National
4	Gujarat Chamber of Commerce	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
There is no adverse order received from regulatory authorities with regard to any anti-competitive conduct.		

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Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sr	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by Board (Annually / Half yearly / Quarterly / Others - please specify)	Web link, if available
No public policy is advocated by entity					

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

Name of brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes / No)	Relevant Web-link
No Social Impact Assessment of Projects undertaken by Company are done during the financial year					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In Rs.)
There is no project for rehabilitation and resettlement undertaken by Company						

3. Describe the mechanisms to receive and redress grievances of the community.

CSR Team has direct contact with all stakeholders in areas where CSR projects are being undertaken. Contact with village committees, PHC authorities, skill building trainers enables grievance, if any, to be noted and addressed.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Directly sourced from MSMEs / Small producers	34%	22%
Sourced directly from within the district and neighboring districts	41%	17%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Rural	-	-
Semi-Urban	-	-
Urban	7.4%	10.3%
Metropolitan	5.3%	4.8%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Nil	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr.	State	Aspirational District	Amount spent (In Rs.)
		Nil	

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

(b) From which marginalized /vulnerable groups do you procure?

Nil

(c) What percentage of total procurement (by value) does it constitute?

Nil

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes / No)	Benefit shared (Yes / No)	Basis of calculating benefit share
		Nil		

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Name of authority	Brief of the Case	Corrective action taken
	Nil	

6. Details of beneficiaries of CSR Projects

Sr.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Augmentation of Primary Health Center -Karannagar	50000	100%
2	Sanitary napkin project	5000	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Consumers can submit their complaint through Phone on Call center, Whats App, Chat bot, letter, E-mail, Company's Application (Hitachi Customer Care App) etc.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and / or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 2023-24 Current Financial Year		Remarks	FY 2022-23 Previous Financial Year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	-	-	Nil	-	-
Advertising	Nil	-	-	Nil	-	-
Delivery of essential services	Nil	-	-	Nil	-	-
Restrictive Trade Practices	Nil	-	-	Nil	-	-
Unfair Trade Practices	Nil	-	-	Nil	-	-
Other						
(Consumers)	117	305	Includes pending cases of previous years	66	257	Includes pending cases of previous years

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	
Forced recalls	Nil	

5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. <https://www.johnsoncontrols.com/cyber-solutions/practices>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No such incident happened.

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches: 1
- b. Percentage of data breaches involving personally identifiable information of customers: Nil
- c. Impact, if any, of the data breaches: Nil

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Details of Products and services can be accessed from following Website: <https://www.hitachiaircon.com/in/about>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Company provides manual with its products to inform and educate consumer about safe and responsible usage of its products. Company has also uploaded such manuals on its website.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Consumers can reach out to Company through any of the modes provided to contact its Customer Care Centre in case of any risk of disruption / discontinuation of its products or services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

Yes, the Products contain other than mandatory informations as well such as installation and maintenance manuals.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No

Independent Auditor's Report

To the Members of Johnson Controls-Hitachi Air Conditioning India Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Johnson Controls-Hitachi Air Conditioning India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
<p>Assessment of Provision for warranty costs</p> <p>(Refer to Note 34 to the financial statements)</p> <p>The Company provides warranty on sale of air conditioners and refrigerators to customers and recognizes provision for expected costs to fulfil the warranty obligation over the period of the warranty which ranges between 1 to 10 years.</p> <p>In accordance with the requirements of Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, the provision towards warranty obligation is estimated by the Company, primarily considering factors such as historical trend, average historical failure rate, estimation of expected pattern of future claims and estimated replacement cost. In the case of certain components covered under warranty, management's internal technical experts are involved in the estimation of the probable outflow during the period of warranty.</p> <p>The estimation of warranty costs involves significant management judgements and estimates as described above, and the amount is significant to the financial statements. Accordingly, this has been considered as a key audit matter.</p>	<p>We performed procedures including the following:</p> <ul style="list-style-type: none"> • Understood, evaluated and tested the design and operating effectiveness of the controls over estimation of provision for warranty costs and related disclosures. • Understood the warranty terms offered by the Company on sale of products. • Assessed the effectiveness of management's estimation process by performing a look-back analysis for warranty costs accruals made in prior years. • Evaluated the method used by management in making the accounting estimate by verifying various input factors such as average historical failure rate, estimation of expected pattern of future claims and estimated replacement cost and carrying out discussions with management's internal technical experts. • Verified the computation of provision for warranty costs including testing of completeness, arithmetical accuracy and validity of the data used in the warranty calculations. • Verified the computation for determining the present value in the case of warranty for periods exceeding one year including assessment of assumptions involved in the computation. • Verified the adequacy of the disclosures in the financial statements. <p>Based on the above audit procedures performed, we did not find any material exceptions with regard to the management's assessment of provision for warranty costs and the related disclosures.</p>

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of recoverability of Deferred Tax Assets (net)</p> <p>(Refer Note 9 to the financial statements.)</p> <p>The Company has recognised deferred tax assets (net) amounting to Rs. 679.3 million as at March 31, 2024 on business losses, unabsorbed depreciation and other temporary differences. The deferred tax assets are recognised as it is considered recoverable based on the Company's projected future taxable income, in accordance with Indian Accounting Standard 12 - 'Income Taxes'.</p> <p>We have considered this as a key audit matter due to uncertainties and significant judgment required by the Management in preparation of projected future taxable income considering the future business plan and underlying assumptions such as sales growth rate, estimate of gross margin, etc.</p>	<p>We performed procedures including the following:</p> <ul style="list-style-type: none"> • Obtained an understanding, evaluated and tested the design and operating effectiveness of relevant controls relating to recognition and assessment of recoverability of deferred tax assets. • Assessed the appropriateness of the Company's accounting policy in respect of recognizing deferred tax assets on business losses, unabsorbed depreciation and temporary differences. • Verified the calculation of net deferred tax asset recognised as at the year-end. • Evaluated the judgements and assumptions made by the Management in determining the projected future taxable income for reasonableness. • Checked the mathematical accuracy of the underlying calculations of the projections. • Performed sensitivity analyses on the projected future taxable profits by varying key assumptions, within reasonably foreseeable range. • Reviewed the adequacy of disclosures made in the financial statements with regard to deferred taxes. <p>Based on the above procedures performed by us, the Management's assessment of recoverability of deferred tax assets was considered to be reasonable.</p>

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted

in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the 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.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements 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 statements.

9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, 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.
 - 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 management.
 - Conclude on the appropriateness of management's 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 Company's ability 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 statements 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 statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance 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.

11. 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.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of books of account and other books and papers maintained in electronic mode in respect of two applications wherein in respect of one application, back up has not been maintained on servers physically located in India for the period March 08, 2024 to March 31, 2024 and in respect of the other application, it has not been maintained on a daily basis on servers physically located in India during the year. Also, refer the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(b) above on reporting under Section 143(3)(b) and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Rules.
 - (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 18(a) and Note 32(a) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 42(g) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 42(g) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year.
 - vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained for modification to certain financially relevant tables throughout the year. During the course of performing our procedures, other than for the instances mentioned above where the question of our commenting whether the audit trail was tampered with does not arise, we did not notice any instance of the audit trail feature being tampered with.
15. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Devang Mehta
Partner
Membership Number: 118785
UDIN: 24118785BKFRZC7334

Place: Kadi, Gujarat
Date: May 23, 2024

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of Johnson Controls-Hitachi Air Conditioning India Limited on the financial statements for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Johnson Controls-Hitachi Air Conditioning India Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in

conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Devang Mehta
Partner
Membership Number: 118785
UDIN: 24118785BKFRZC7334

Place: Kadi, Gujarat
Date: May 23, 2024

Annexure B to Independent Auditor's Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Johnson Controls-Hitachi Air Conditioning India Limited on the financial statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 – Property, Plant and Equipment, and Note 6 – Investment Property to the financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (Rs. In Million)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Factory Land (portion of land admeasuring 981 sq. mts.)	2.6	Laxmiben Maheshbhai Desai, Namrata Maheshbhai Desai, Neel Maheshbhai Desai, Nupur Maheshbhai Desai, Nachiket Maheshbhai Desai	No	December 2008	As per the information and explanation provided by the management, the erstwhile owners of the property has filed a case challenging old sale deed. The matter is under adjudication before the District Court, Mehsana.
Factory Land (portion of land admeasuring 6,763 sq. mts.)	14.2	Hitachi Home & Life Solutions India Ltd. (erstwhile name of the Company)	No	August 2009	The property was acquired before the name change of the Company. As per the information and explanation provided by the Management, the Company had filed an application with concerned government authority for name change.
Office Building	5.9	Hitachi Home & Life Solutions India Ltd. (erstwhile name of the Company)	No	March 2016	As per the information and explanation provided by the Management, the property was acquired before the name change of the Company.

- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.
- ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. (a) The Company has granted unsecured loans to 134 employees during the year. The Company has not made investments in, nor granted any other loans or advances in nature of loans, secured or unsecured, or provided any guarantees or security to companies, firms, Limited Liability Partnerships or other parties during the year. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans to parties other than subsidiaries, joint ventures and associates are as per the table given below:

Particulars	Loans (Rs. in Million)
Aggregate amount granted/ provided during the year	8.4
- Others	
Balance outstanding as at balance sheet date in respect of the above case	3.6
- Others	

[Also, refer Notes 8(a) and 13(d) to the financial statements]

- (b) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
- (c) In respect of the loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
- (d) In respect of the loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans or advances in nature of loans which have fallen due during the year and were renewed or extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans or advances in nature of loan.
- (f) There were no loans or advances in nature of loans which were granted during the year, including to promoters or related parties that were repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and goods and services tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 32(b) to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Gross Amount (Rs. in million)	Amount paid under protest (Rs. in million)	Net unpaid amount (Rs. in million)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise duty including interest and penalty as applicable	0.9	-	0.9	FY 2008-09 and 2010-11	Commissioner (Appeals)
Sales Tax Acts (Central & States)	Sales Tax/Value added tax including interest and penalty as applicable	367.5	-	367.5	FY 2007-08 to 2013-14	Hon'ble High Court of Jammu and Kashmir
		13.4	1.2	12.2	FY 2000-01 and 2007-08 to 2009-10	Appellate Tribunal
		684.7	24.6	660.1	FY 2006-07 to 2017-18	Upto Commissioner (Appeals)

Name of the statute	Nature of dues	Gross Amount (Rs. in million)	Amount paid under protest (Rs. in million)	Net unpaid amount (Rs. in million)	Period to which the amount relates	Forum where the dispute is pending
The Finance Act, 1994	Service Tax including interest and penalty as applicable	93.1	11.6	81.5	FY 2004-05, 2005-06 and 2009-10 to 2014-15	The Custom, Excise and Service Tax Appellate Tribunal
		7.7	0.3	7.4	FY 2016-17 and 2017-18	Commissioner (Appeals)
Goods and Services Tax Act, 2017	Goods and Service Tax including interest and penalty as applicable	1.9	0.2	1.7	FY 2017-18 and 2018-19	Joint Commissioner - Goods & Service Tax
		133.4	8.7	124.7	FY 2017-18 to 2019-20	Commissioner (Appeals) - Goods & Service Tax
		1.3	-	1.3	FY 2019-20	Assessing Officer
Income Tax Act, 1961	Income tax demand including interest and penalty as applicable	61.3	6.4	54.9	AY 2006-07 and 2008-09 to 2010-11	Hon'ble High Court of Gujarat
		131.7	41.8	89.9	AY 2003-04 to 2007-08, 2009-10, 2013-14 to 2014-15, 2016-17 to 2018-19 and AY 2020-21	Upto Commissioner of Income Tax (Appeals)

- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause. As explained by the management, there were certain complaints in respect of which investigations are ongoing as on the date of our report and our consideration of the complaints having any bearing on our audit is based on the information furnished to us by the management.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of the related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
(b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses of Rs. 507.0 million in the financial year and of Rs. 334.2 million in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. The Company was not required to spend any amount during the year for Corporate Social Responsibility under Section 135(5) and 135(6) of the Act. Accordingly, there is no amount unspent as at March 31, 2024 and the reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Devang Mehta
Partner
Membership Number: 118785
UDIN: 24118785BKFRZC7334

Place: Kadi, Gujarat
Date: May 23, 2024

Balance Sheet

as at March 31, 2024

		Rs. in million	
		As at	As at
		March 31, 2024	March 31, 2023
A ASSETS	Note		
I Non-current assets	No.		
(a) Property, Plant and Equipment	3	3,030.2	3,335.4
(b) Right-of-use-assets	4 (i)	421.5	428.2
(c) Capital work-in-progress	5	308.0	110.9
(d) Investment properties	6	8.7	8.9
(e) Other Intangible assets	7 (a)	24.8	50.7
(f) Intangible assets under development	7 (b)	14.1	4.1
(g) Financial assets			
(i) Loans	8 (a)	0.7	2.6
(ii) Other financial assets	8 (b)	29.3	39.8
(h) Deferred tax assets (net)	9	679.3	422.7
(i) Non current tax assets (net)	10	169.7	137.5
(j) Other non-current assets	11	258.5	355.8
Total Non-current assets		4,944.8	4,896.6
II Current assets			
(a) Inventories	12	6,560.5	8,685.5
(b) Financial assets			
(i) Trade receivables	13 (a)	3,788.3	3,211.8
(ii) Cash and cash equivalents	13 (b)	718.2	219.7
(iii) Bank balances other than (ii) above	13 (c)	1.1	1.5
(iv) Loans	13 (d)	5.0	8.5
(v) Other financial assets	13 (e)	8.9	6.9
(c) Contract assets	14	49.5	43.2
(d) Other current assets	15	495.9	812.2
Total Current assets		11,627.4	12,989.3
TOTAL ASSETS (I+II)		16,572.2	17,885.9
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	16	271.9	271.9
(b) Other equity	17	5,557.8	6,319.8
Total equity		5,829.7	6,591.7
LIABILITIES			
II Non-current liabilities			
(a) Financial Liabilities			
Lease liabilities	4 (ii)	345.1	370.0
(b) Provisions	18	591.1	591.5
(c) Other non-current liabilities	19	123.8	155.2
Total non-current liabilities		1,060.0	1,116.7
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20 (a)	-	1,430.3
(ii) Lease liabilities	4 (ii)	135.7	129.9
(iii) Trade payables			
(a) total outstanding dues of micro and small enterprises	20 (b)	986.4	851.1
(b) total outstanding dues of creditors other than (iii)(a) above	20 (b)	6,903.7	6,167.7
(iv) Other financial liabilities			
(a) total outstanding dues of micro and small enterprises	20 (c)	4.0	2.1
(b) total outstanding dues other than (iv)(a) above	20 (c)	193.9	290.9
(b) Contract liabilities	21	498.0	425.0
(c) Provisions	22	360.5	330.7
(d) Other current liabilities	23	600.3	549.8
Total Current liabilities		9,682.5	10,177.5
TOTAL EQUITY AND LIABILITIES (I+II+III)		16,572.2	17,885.9

The accompanying Notes form an integral part of the Financial Statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No. 304026E/E300009

Devang Mehta

Partner

Membership No.: 118785

Place: Kadi

Date: May 23, 2024

For and on behalf of the Board of Directors

Nobuyuki Tao

Chairman

DIN : 08080705

Place: Kadi

Rishi Mehta

Chief Financial Officer

Place: Kadi

Date: May 23, 2024

Sanjay Sudhakaran

Managing Director

DIN: 00212610

Place: Mumbai

Parag Dave

Company Secretary

Membership No.: 12626

Place: Kadi

Date: May 23, 2024

Statement of Profit and Loss

for the year ended March 31, 2024

		Rs. in million	
	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
I INCOME			
(a) Revenue from Operations	24	19,187.0	23,844.4
(b) Other income	25	101.3	119.8
Total income		19,288.3	23,964.2
II EXPENSES			
(a) Cost of materials consumed		10,555.1	14,653.3
(b) Purchase of Stock-in-trade		1,601.1	2,953.8
(c) Changes in inventories of finished goods, Stock-in -trade and work-in-progress	26	1,330.2	274.0
(d) Employee benefits expense	27	1,702.1	1,836.3
(e) Finance costs	28	166.4	75.3
(f) Depreciation and amortisation expense	29	643.5	752.6
(g) Other expenses	30	4,011.5	4,315.2
Total expenses		20,009.9	24,860.5
III Loss before exceptional Items and tax (I-II)		(721.6)	(896.3)
IV Exceptional Items - expenses (net)	41	268.4	155.6
V Loss before tax (III-IV)		(990.0)	(1,051.9)
VI Income Tax expense			
(a) Current tax (net)	31	22.0	18.7
(b) Deferred tax credit for the year	31	(254.9)	(265.4)
(c) Current tax in respect of earlier years		-	16.2
Total tax expense		(232.9)	(230.5)
VII Loss for the year (V-VI)		(757.1)	(821.4)
VIII Other comprehensive Income			
Items that will not be reclassified to profit or loss			
(i) Re-measurements of post-employment benefit obligations- (loss) / gain	35	(6.5)	19.3
(ii) Income tax relating to above item		1.6	(4.9)
Other comprehensive (Loss) / Income for the year, net of tax		(4.9)	14.4
IX Total comprehensive (loss) for the year (VII+VIII)		(762.0)	(807.0)
X Loss per share - Basic and Diluted [face value Rs. 10 each] - in Rs.	43	(27.8)	(30.2)

The accompanying Notes form an integral part of the Financial Statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E300009

Devang Mehta
Partner
Membership No.: 118785

Place: Kadi
Date: May 23, 2024

For and on behalf of the Board of Directors

Nobuyuki Tao
Chairman
DIN : 08080705
Place: Kadi

Rishi Mehta
Chief Financial Officer

Place: Kadi
Date: May 23, 2024

Sanjay Sudhakaran
Managing Director
DIN: 00212610
Place: Mumbai

Parag Dave
Company Secretary
Membership No.: 12626

Place: Kadi
Date: May 23, 2024

Statement of Cash Flows

for the year ended March 31, 2024

	Rs. in million	
	Year ended March 31, 2024	Year ended March 31, 2023
(A) Cash flows from operating activities		
(Loss) before tax	(990.0)	(1,051.9)
Adjustment for :		
Depreciation and amortisation expense	643.5	752.6
Loss on sale / retirement of property, plant and equipment (net)	10.0	7.2
Gain on lease modification (net)	(8.7)	-
Liabilities no longer required written back	(18.3)	(27.8)
Finance costs	166.4	75.3
Unrealised foreign exchange loss / (gain) (net) at year end	7.9	(13.3)
Provision for doubtful debts and bad debts written off (net)	9.9	(1.9)
Lease rent income	(3.0)	(2.9)
Interest income	(6.8)	(30.7)
Exceptional Items (Expense) (net)	268.4	155.6
Government Grants	(31.1)	(18.8)
Operating profit / (loss) before working capital changes	48.2	(156.6)
Changes in working capital:		
Adjustment for:		
Decrease / (Increase) in inventories	2,124.9	(467.1)
(Increase) / Decrease in trade receivables	(586.4)	930.8
Decrease in other financial assets / Contract assets	8.5	30.3
Decrease / (Increase) in other current assets	325.4	(424.3)
Increase / (Decrease) in current liabilities	942.7	(225.4)
Increase in other provision	3.2	83.5
Cash generated / (used in) from operations	2,866.5	(228.8)
Income tax paid (net of refunds)	(54.2)	(44.3)
Net cash generated / (used in) operating activities before exceptional items	2,812.3	(273.1)
Outflow for termination benefits	(268.4)	(100.1)
Proceeds of Insurance Claim	-	64.9
Net cash inflow / (outflow) from operating activities (A)	2,543.9	(308.3)
(B) Cash flows from investing activities		
Purchase of Property, Plant and Equipment (including capital work-in-progress and capital advance)	(369.1)	(480.0)
Proceeds from sale of Property, Plant and Equipment	37.2	15.1
Lease rent income	3.0	2.9
Interest received	6.8	30.7
Net cash (outflow) from investing activities (B)	(322.1)	(431.3)

Statement of Cash Flows

for the year ended March 31, 2024

	Rs. in million	
	Year ended March 31, 2024	Year ended March 31, 2023
(C) Cash flows from financing activities		
Repayment of short-term borrowings (net)	(1,430.3)	-
Proceeds from short-term borrowings (net)	-	1,000.2
Principal Payment of lease liabilities	(138.6)	(279.2)
Interest paid on lease liabilities	(39.4)	(46.7)
Payment of finance cost	(115.0)	(19.5)
Net cash (outflow) / inflow from financing activities (C)	(1,723.3)	654.8
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	498.5	(84.8)
Add : Cash and cash equivalents at the beginning of the year	219.7	304.5
Cash and cash equivalents at the end of the year [Refer Note 13(b)]	718.2	219.7
(D) Non- Cash financing and investing activities		
Acquisition of right-of-use-assets	166.0	94.2

- The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flows.
- Cash flows from Operating activities includes Rs. 2.1 million (March 31, 2023 - Rs. 11.2 million) being cash flows towards Corporate social responsibility initiatives. [Refer Note 30(b)]
- Refer note 20(a)(vii) for changes in liabilities arising from financing activities.

The accompanying Notes form an integral part of the Financial Statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E300009

Devang Mehta
Partner
Membership No.: 118785

Place: Kadi
Date: May 23, 2024

For and on behalf of the Board of Directors

Nobuyuki Tao
Chairman
DIN : 08080705
Place: Kadi

Rishi Mehta
Chief Financial Officer

Place: Kadi
Date: May 23, 2024

Sanjay Sudhakaran
Managing Director
DIN: 00212610
Place: Mumbai

Parag Dave
Company Secretary
Membership No.: 12626

Place: Kadi
Date: May 23, 2024

Statement of Changes in Equity

for the year ended March 31, 2024

A. Equity share capital

	Note No.	Rs. in million
		Equity share capital
Balance as at April 1, 2022		271.9
Changes in equity share capital		-
Balance as at March 31, 2023	16	271.9
Changes in equity share capital		-
Balance as at March 31, 2024	16	271.9

B. Other equity

	Note No.	Reserves and Surplus				Total
		Capital reserve	Securities premium	General reserve	Retained earnings	
Balance as at April 1, 2022		0.7	895.4	229.8	6,000.9	7,126.8
(Loss) for the year		-	-	-	(821.4)	(821.4)
Other comprehensive income for the year (net of income tax)		-	-	-	14.4	14.4
Total comprehensive loss for the year		-	-	-	(807.0)	(807.0)
Balance as at March 31, 2023	17	0.7	895.4	229.8	5,193.9	6,319.8
(Loss) for the year		-	-	-	(757.1)	(757.1)
Other comprehensive (Loss) for the year (net of income tax)		-	-	-	(4.9)	(4.9)
Total comprehensive loss for the year		-	-	-	(762.0)	(762.0)
Balance as at March 31, 2024	17	0.7	895.4	229.8	4,431.9	5,557.8

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The accompanying Notes form an integral part of the Financial Statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E300009

Devang Mehta
Partner
Membership No.: 118785

Place: Kadi
Date: May 23, 2024

For and on behalf of the Board of Directors

Nobuyuki Tao
Chairman
DIN : 08080705
Place: Kadi

Rishi Mehta
Chief Financial Officer

Place: Kadi
Date: May 23, 2024

Sanjay Sudhakaran
Managing Director
DIN: 00212610
Place: Mumbai

Parag Dave
Company Secretary
Membership No.: 12626

Place: Kadi
Date: May 23, 2024

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Background

Johnson Controls-Hitachi Air Conditioning India Limited (‘the Company’) was incorporated in December 1984 as ‘Acquest Air Conditioning Systems Private Limited’.

The Company is engaged in the business of manufacturing, selling and trading of ‘Hitachi’ brand of Air conditioners, refrigerators, chillers and VRF (variable refrigerant flow) systems, and providing design and development services to Group Company to design, and/or support development and improvement of features in new and existing air conditioning products. Manufacturing facility for Air conditioners is set up at Kadi (North Gujarat). The Company performs its marketing activities through branches and regional service centers spread across India. The Company is a public limited company incorporated in India and is listed on the BSE Limited and National Stock Exchange of India Limited.

Note 1 : Basis of accounting and preparation of financial statements

Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (‘the Act’), [Companies (Indian Accounting Standards) Rules, 2015] as amended and other relevant provisions of the Act.

New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards, and are effective April 1, 2023:

- Disclosure of accounting policies — amendments to Ind AS 1
- Definition of accounting estimates — amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction — amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a

consequence of amendments made to Ind AS 12 as the Company’s accounting policy already complies with the now mandatory treatment.

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (derivative instruments) that is measured at fair value; and
- defined benefit plans - plan assets measured at fair value.

Note 2 : Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

1. Estimation of provision for warranty claims (notes - 18, 22 and 34)
2. Recoverability of Deferred Tax Assets (note – 9)
3. Inventory obsolescence (note - 12)
4. Contingent liabilities (note - 32)
5. Lease term (note – 4)
6. Estimation of defined benefit obligation (note – 35)
7. Estimated useful life of property, plant and equipment (notes – 3)
8. Impairment of trade receivables (note – 13(a))

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

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Note 3: Property, plant and equipment Accounting Policy

Freehold land is carried at historical cost. All other property, plant and equipment is stated at historical cost less depreciation.

Depreciation method, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on a pro-rata basis on the straight line method over the following useful lives based on management's technical evaluation as follows:

Class of assets	Useful life followed by the management (Years)	Useful life prescribed in Schedule II to the Companies Act, 2013 (Years)
Building	28 to 58	30 to 60
Road	10	10
Moulds and tools	3	8
Plant and Machinery (Other than moulds and tools, and toolkits)	3 to 15	15*
Server and network	4	6
End user devices such as desktops and laptops	3	3
Furniture & fixtures	3 to 7	10
Office equipment	3 to 5	5
Electric Installations	7	10
Vehicles	4 to 8	8

* Based on single shift

Leasehold improvements are depreciated over the lease period or useful life as above, whichever is lower.

The useful lives have been determined based on technical evaluation by the management in order to reflect the actual usage of the assets. The residual value is based on management assessment of expected realization at the end of the useful life of an asset which is not more than 5% of the original cost of the assets, except in respect of certain vehicles / furniture & fixtures / office equipment which the Company expects to sell at the end of 5 or 7 years from the date of acquisition.

The asset's depreciation method, residual values and useful lives are reviewed annually, and adjusted if appropriate at the end of each reporting period.

See note 45 for the other accounting policies relevant to property, plant and equipment.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 3: Property, plant and equipment (Contd...)

	Rs. in million									
	Freehold land	Leasehold Improvements	Buildings & Road	Plant and Machinery	Furniture and fixtures	Vehicles	Office equipment	Electrical Installations	Computers	Total
I. Gross carrying amount										
Balance as at April 1, 2022	228.3	29.2	938.2	3,228.7	142.9	146.7	131.8	392.2	89.1	5,327.1
Additions	-	-	0.4	569.0	2.5	19.2	4.9	2.3	-	598.3
Disposals	-	(1.1)	(1.8)	(13.4)	(2.9)	(32.4)	(5.9)	(0.3)	(3.6)	(61.4)
Balance as at March 31, 2023	228.3	28.1	936.8	3,784.3	142.5	133.5	130.8	394.2	85.5	5,864.0
II. Accumulated depreciation										
Balance as at April 1, 2022	-	24.9	151.0	1,477.4	86.9	56.7	88.7	192.9	74.3	2,152.8
For the year	-	2.1	33.0	274.1	14.3	23.9	16.2	45.3	6.0	414.9
Disposals	-	(1.0)	(0.7)	(7.4)	(2.4)	(18.7)	(5.4)	(0.2)	(3.3)	(39.1)
Balance as at March 31, 2023	-	26.0	183.3	1,744.1	98.8	61.9	99.5	238.0	77.0	2,528.6
Net carrying amount as at March 31, 2023 (I-II)	228.3	2.1	753.5	2,040.2	43.7	71.6	31.3	156.2	8.5	3,335.4
	Freehold land	Leasehold Improvements	Buildings & Road	Plant and Machinery	Furniture and fixtures	Vehicles	Office equipment	Electrical Installations	Computers	Total
I. Gross carrying amount										
Balance as at April 1, 2023	228.3	28.1	936.8	3,784.3	142.5	133.5	130.8	394.2	85.5	5,864.0
Additions	-	-	8.7	207.0	-	-	0.3	4.7	1.0	221.7
Disposals	-	(1.6)	-	(118.9)	(7.2)	(47.7)	(5.3)	(2.4)	(8.6)	(191.7)
Balance as at March 31, 2024	228.3	26.5	945.5	3,872.4	135.3	85.8	125.8	396.5	77.9	5,894.0
II. Accumulated depreciation										
Balance as at April 1, 2023	-	26.0	183.3	1,744.1	98.8	61.9	99.5	238.0	77.0	2,528.6
For the year	-	0.2	33.4	359.9	12.5	16.1	11.7	42.8	3.2	479.8
Disposals	-	(1.4)	-	(93.3)	(5.8)	(29.3)	(4.7)	(2.0)	(8.1)	(144.6)
Balance as at March 31, 2024	-	24.8	216.7	2,010.7	105.5	48.7	106.5	278.8	72.1	2,863.8
Net carrying amount as at March 31, 2024 (I-II)	228.3	1.7	728.8	1,861.7	29.8	37.1	19.3	117.7	5.8	3,030.2

Notes:

- Refer Note 32(b) for disclosure of capital commitments in respect of acquisition of property, plant and equipment.
- No borrowing costs have been capitalised during the year ended March 31, 2024 and in the previous year ended March 31, 2023.
- No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.
- The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year ended March 31, 2024 or year ended March 31, 2023.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

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Note 3: Property, plant and equipment (Contd...)

e. i) Refer table below for details of immovable property whose Title deeds were not held in the name of the Company as on March 31, 2023

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (Rs. in million)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment (Freehold Land)	Factory Land (portion of land admeasuring 981 sq. mts.)	2.6	Laxmiben Maheshbhai Desai, Namrata Maheshbhai Desai, Neel Maheshbhai Desai, Nupur Maheshbhai Desai and Nachiket Maheshbhai Desai	No	December-08	The erstwhile owners of the property has filed a case challenging old sale deed. The matter is under adjudication before the Taluka Court, Kadi. The title deed will be updated on completion of the adjudication process.
Property, plant and equipment (Freehold Land)	Factory Land (portion of land admeasuring 6,763 sq. mts.)	14.2	Hitachi Home & Life Solutions India Ltd. (HHLI) (erstwhile name of the Company)	No	August-09	The property was acquired before the name change of the Company and accordingly, it is held in the erstwhile name of the Company. The Company has filed an application with concerned government authority for name change.
Investment Property	Office building	5.9 (Written Down Value - Rs. 5.2 million)	Hitachi Home & Life Solutions India Ltd. (HHLI) (erstwhile name of the Company)	No	March-16	The property was acquired before the name change of the Company and accordingly, it is held in the erstwhile name of the Company.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 3: Property, plant and equipment (Contd...)

e. ii) Refer table below for details of immovable property whose Title deeds are not held in the name of the Company as on March 31, 2024

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (Rs. in million)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment (Freehold Land)	Factory Land (portion of land admeasuring 981 sq. mts.)	2.6	Laxmiben Maheshbhai Desai, Namrata Maheshbhai Desai, Neel Maheshbhai Desai, Nupur Maheshbhai Desai and Nachiket Maheshbhai Desai	No	December-08	The erstwhile owners of the property had filed a case challenging old sale deed. During the current year, the Company received favourable order from Taluka Court, Kadi against which appeal has been filed by the erstwhile owners and the matter is under adjudication before the District Court, Mehsana. The title deed will be updated on completion of the adjudication process.
Property, plant and equipment (Freehold Land)	Factory Land (portion of land admeasuring 6,763 sq. mts.)	14.2	Hitachi Home & Life Solutions India Ltd. (HHLI) (erstwhile name of the Company)	No	August-09	The property was acquired before the name change of the Company. The Company had filed an application with concerned government authority for name change.
Investment Property	Office building	5.9 (Written Down Value - Rs. 5.1 million)	Hitachi Home & Life Solutions India Ltd. (HHLI) (erstwhile name of the Company)	No	March-16	The property was acquired before the name change of the Company.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note-4: Leases

Accounting Policy

The Company mainly has lease arrangements for buildings (offices and warehouse spaces) and equipments. Rental contracts typically ranges from 1 year to 12 years but may have extension/termination option as described in (iii) below. The Company assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether there is an identified asset, whether the Company has the right to direct the use of the asset and whether the Company obtains substantially all the economic benefits from the use of that asset.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company except for short term leases and leases of low value assets. Contracts may contain both lease and non-lease components. However, the Company has elected not to separate lease and non-lease components and instead account for these as a single lease components.

Lease payments to be made under reasonably certain extension option are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that lessee would have to pay to borrow the fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar term, security and conditions.

Payments associated with short-term leases of equipment and buildings (office and warehouses) and all leases of low-value assets are recognized on a straight-line basis in the Statement of Profit and Loss. Short-term leases are leases with a lease term of 12 months or less.

In determining the lease term, management considers all facts and circumstances that creates an economic incentive to exercise an extension option, or not to exercise a termination option. Extension option (or period after termination option) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

94 The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

See note 45 for the other accounting policies relevant to leases.

(i) Amounts recognized in Balance Sheet as Right-of-use assets:

Buildings	Rs. in million
I. Gross carrying amount	
Balance as at April 1, 2022	1,169.7
Additions	94.2
Disposals	(241.9)
Balance as at March 31, 2023	1,022.0
II. Accumulated depreciation	
Balance as at April 1, 2022	556.1
For the year	270.8
Disposals	(233.1)
Balance as at March 31, 2023	593.8
Net carrying amount as at March 31, 2023 (I-II)	428.2
Buildings	Rs. in million
I. Gross carrying amount	
Balance as at April 1, 2023	1,022.0
Additions	166.0
Disposals	(452.5)
Balance as at March 31, 2024	735.5
II. Accumulated depreciation	
Balance as at April 1, 2023	593.8
For the year	132.6
Disposals	(412.4)
Balance as at March 31, 2024	314.0
Net carrying amount as at March 31, 2024 (I-II)	421.5

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note-4: Leases (Contd...)

(ii) Lease Liabilities

	Rs. in million	
	Year ended March 31, 2024	Year ended March 31, 2023
Current	135.7	129.9
Non-current	345.1	370.0
Total	480.8	499.9

(iii) Amounts recognized in Statement of Profit and Loss

The Statement of Profit and Loss shows the following amounts relating to leases:

	Rs. in million	
	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation charge of right-of-use assets (Refer note 29)	132.6	270.8
Interest expense on lease liability (Refer note 28)	39.4	46.7
Expense relating to short term leases (Refer note 30)	242.2	128.0
Expense relating to low value assets that are not shown above as short term leases (Refer note 30)	58.4	54.6
Total	472.6	500.1

(iv) Extension and termination options

These options are used to maximize operational flexibility in terms of managing the assets used in the Company's operations. Extension and termination options are included in the lease term, only if the Company has the right to exercise these options and reasonably certain to exercise the right.

(v) The total cash outflow for the leases for the year ended March 31, 2024 was Rs. 468.4 million (March 31, 2023 - Rs. 501.4 million).

Note 5: Capital work-in-progress

	Rs. in million
Balance as at April 1, 2022	83.4
Additions	625.8
Transfer to Property, plant and equipment	(598.3)
Balance as at March 31, 2023	110.9
Additions	418.8
Transfer to Property, plant and equipment	(221.7)
Balance as at March 31, 2024	308.0

Note: Capital work-in-progress as at March 31, 2024 and March 31, 2023 mainly comprise of Plant and Machinery.

(a) Ageing of Capital work-in-progress are as under

i) As at March 31, 2023	Amount in Capital work-in-progress for a period of				Rs. in million
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	80.5	4.5	-	25.9	110.9

ii) As at March 31, 2024	Amount in Capital work-in-progress for a period of				Rs. in million
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	270.1	12.6	4.5	20.8	308.0

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 5: Capital work-in-progress (Contd...)

(b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

i) As at March 31, 2023	Amount in Capital work-in-progress to be completed in				Rs. in million
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	Plant & Equipment for manufacturing of Air Conditioner	44.0	-	-	-
Lab Equipments	28.7	-	-	-	28.7
Testing Equipments	8.5	-	-	-	8.5
Building work	6.5	-	-	-	6.5
Moulds for Air conditioner	5.6	-	-	-	5.6
Sewage treatment plant and Electrical Installations	1.1	-	-	-	1.1
Total	94.4	-	-	-	94.4

ii) As at March 31, 2024	Amount in Capital work-in-progress to be completed in				Rs. in million
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	Plant & Equipment for manufacturing of Air Conditioner	3.8	-	-	-
Lab Equipments	20.8	-	-	-	20.8
Water conservation plant	5.3	-	-	-	5.3
Total	29.9	-	-	-	29.9

Note 6: Investment properties

Investment properties are depreciated using the straight-line method to allocate the cost of assets over their estimated useful lives. Investment properties comprises of buildings and generally have useful life of 28 years. The useful life has been determined based on technical evaluation performed by the management.

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
I. Gross carrying amount		
Opening Balance	9.5	9.5
Addition	-	-
Closing Balance	9.5	9.5
II. Accumulated depreciation		
Opening Balance	0.6	0.4
Depreciation charge for the year (Refer note 29)	0.2	0.2
Closing Balance	0.8	0.6
Net carrying amount (I-II)	8.7	8.9

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 6: Investment properties (Contd...)

(i) Amounts recognised in the Statement of profit and loss for investment properties

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Rental Income (Refer note 25)	3.0	2.9
Profit from investment properties before depreciation	3.0	2.9
Depreciation (Refer note 29)	0.2	0.2
Profit from investment properties	2.8	2.7

(ii) Fair Value

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Investment Properties	57.3	52.1

(iii) Estimation of fair value

Considering nature of properties, the Company obtains valuation for investment properties atleast annually. The fair value of investment properties (as measured for disclosure purposes in the financial statements) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

The fair value estimates for investment properties are categorised as level 3 as per Ind AS -113 - Fair value measurement.

(iv) Leasing arrangements

Investment properties are leased to tenants under cancellable operating lease arrangement for a period of 11 months.

(v) Refer note 3(e) for the details of the investment properties whose title deeds are not in the name of Company.

Note 7 (a): Other Intangible Assets

Accounting Policy

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. They have a finite useful life. Costs associated with maintaining software programmes are recognised as an expense as incurred. The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Class of asset	Useful Life (Years)
Software and licenses	3
Licensed Technical Know-how	5

See note 45 for the other accounting policies relevant to intangible assets.

	Rs. in million		
	Software and licenses	Licensed technical Know-how	Total
I. Gross carrying amount			
Balance as at April 1, 2022	270.3	315.1	585.4
Additions	3.3	-	3.3
Balance as at March 31, 2023	273.6	315.1	588.7
II. Accumulated amortisation			
Balance as at April 1, 2022	173.0	298.3	471.3
For the year (Refer note 29)	53.2	13.5	66.7
Balance as at March 31, 2023	226.2	311.8	538.0
Net carrying amount as at March 31, 2023 (I-II)	47.4	3.3	50.7

Rs. in million

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 7 (a): Other Intangible Assets (Contd...)

	Software and licenses	Licensed technical Know-how	Total
I. Gross carrying amount			
Balance as at April 1, 2023	273.6	315.1	588.7
Additions	5.0	-	5.0
Balance as at March 31, 2024	278.6	315.1	593.7
II. Accumulated amortisation			
Balance as at April 1, 2023	226.2	311.8	538.0
For the year (Refer note 29)	29.3	1.6	30.9
Balance as at March 31, 2024	255.5	313.4	568.9
Net carrying amount as at March 31, 2024 (I-II)	23.1	1.7	24.8

Note 7 (b): Intangible assets under development

	Rs. in million
Balance as at April 1, 2022	4.5
Additions	2.9
Transfer to Intangible assets	(3.3)
Balance as at March 31, 2023	4.1
Additions	15.0
Transfer to Intangible assets	(5.0)
Balance as at March 31, 2024	14.1

i) Ageing as on March 31, 2023	Amount in intangible assets under development for a period of				Rs. in million
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	2.4	-	1.7	-	4.1
ii) Ageing as on March 31, 2024					
	Amount in intangible assets under development for a period of				Rs. in million
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	12.4	-	-	1.7	14.1

Completion schedule for Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan:

i) As at March 31, 2023	Amount in intangible assets under development to be completed in				Rs. in million
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Technical know-how	1.7	-	-	-	1.7
Total	1.7	-	-	-	1.7
ii) As at March 31, 2024					
	Amount in intangible assets under development to be completed in				Rs. in million
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Technical know-how	1.7	-	-	-	1.7
Software relating to supply chain planning module	12.4	-	-	-	12.4
Total	14.1	-	-	-	14.1

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 8: Non-Current Financial assets

Note 8(a): Loans

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Loans to employees	0.7	2.6
Total	0.7	2.6

Loans to employees is as per policy of the Company.

Sub-classified as:

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Loans considered good - Secured	-	-
Loans considered good - Unsecured	0.7	2.6
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	0.7	2.6

Note 8(b): Other non-current financial assets

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Unsecured, Considered good		
Security deposits	29.2	39.7
Margin Money Deposits with Bank (Refer note below)	0.1	0.1
Total	29.3	39.8

Note: Margin money deposit is pledged with government authorities in normal course of business.

Note 9: Deferred tax Assets (net)

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
The balance comprises temporary differences attributable to:		
Deferred tax assets		
Provision for doubtful debts	9.3	6.8
Provision for compensated absences	31.7	29.2
Provision for litigations	62.9	62.2
Provision for inventory obsolescence	108.3	101.2
Lease Liabilities	15.1	18.0
Unabsorbed business loss and Depreciation	460.7	257.3
Provision for bonus and superannuation	24.9	-
Other disallowance	0.5	0.4
Total deferred tax assets	713.4	475.1
Deferred tax liabilities		
Differences in block of property, plant and equipment as per tax books and financial books	(21.0)	(37.1)
Re-measurements of post-employment benefit obligations - (loss) / gain	(3.3)	(4.9)
Others	(9.8)	(10.4)
Total deferred tax liabilities	(34.1)	(52.4)
Deferred Tax assets (net)	679.3	422.7

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Notes:

- (i) Deferred tax assets and deferred tax liabilities have been offset as they relate to same governing taxation law.
- (ii) Based on the future financial projections prepared by the management that involved use of certain key assumptions viz. sales growth rate, estimate of gross margin etc., it is assessed that the Company will have sufficient future taxable income against which the aforesaid deferred tax assets as at March 31, 2024 will be realised.

Note: Movement in deferred tax assets/liabilities

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	422.7	162.2
Deferred Tax Assets		
Provision for doubtful debts	2.5	(5.7)
Provision for compensated absences	2.5	0.2
Provision for litigations	0.7	1.3
Provision for inventory obsolescence	7.1	16.4
Lease Liabilities (Net of Right of use assets)	(2.9)	(2.3)
Unabsorbed loss and Depreciation	203.4	257.3
Provision for bonus and superannuation	24.9	-
Other disallowance	0.1	(0.8)
Total	238.3	266.4
Deferred Tax Liabilities		
Differences in block of fixed assets as per tax books and financial books	16.1	1.1
Others	0.6	(2.1)
Total	16.7	(1.0)
Movement in Deferred tax assets (net) Credited to Statement of Profit and Loss	255.0	265.4
Deferred Tax on Re-measurements of post-employment benefit obligations - gain / (loss) charged to OCI	1.6	(4.9)
Balance at the closing of the year	679.3	422.7

Note 10: Non current Tax Assets (Net)

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Advance income tax (Net of provision for taxation Rs. 999.3 million (March 31, 2023: Rs. 2,460.0 million))	169.7	137.5
Total	169.7	137.5

Note 11: Other non-current assets

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Capital advances	40.9	137.2
Indirect tax credit receivable / Tax paid against appeal	217.6	218.6
Total	258.5	355.8

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 12: Inventories

Accounting Policy

Cost of inventories are determined using the weighted average method. Inventories are valued at lower of cost and net realisable value. See note 45 for the other accounting policies relevant to inventories.

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Raw Material	2,510.5	3,307.8
(Including goods in transit Rs. 743.8 million (March 31, 2023 - Rs. 464.8 million))		
Work-in-progress	201.4	274.1
Finished goods	3,117.2	3,987.5
(Including goods in transit Rs. 238.4 million (March 31, 2023 - Rs. 220.4 million))		
Stock-in-trade	658.3	1,045.5
(Including goods in transit Rs.151.0 million (March 31, 2023 - Rs. 73.0 million))		
Stores and spares	73.1	70.6
Total	6,560.5	8,685.5

Amounts recognized in the Statement of profit and loss

Write-downs/write-offs of inventories amounted to Rs. 222.9 million (March 31, 2023 - Rs. 292.1 million) during the year. These were recognized as an expense during the year and included in respective financial statement line items in Statement of Profit and Loss.

Note 13: Current financial assets

Note 13(a): Trade receivables

Accounting Policy

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the Company's unconditional right to consideration (that is, payment is due only on the passage of time).

Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and contract assets which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Trade Receivables - Others	3,715.9	3,133.3
Trade Receivables from related parties (Refer Note 38)	109.5	105.7
Less: Allowance for doubtful trade receivables	(37.1)	(27.2)
Total	3,788.3	3,211.8

Sub-classified as:

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good - Secured	39.0	36.3
Trade receivables considered good - Unsecured	3,772.0	3,194.4
Trade receivables - credit impaired	14.4	8.3
Total	3,825.4	3,239.0
Less: Allowance for doubtful trade receivables	(37.1)	(27.2)
Total	3,788.3	3,211.8

Note: Trade Receivable - credit impaired comprises of parties where the Company has initiated legal proceedings for recovery and provided for loss allowance.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 13: Current financial assets (Contd...)

Ageing of trade receivables:

i) As at March 31, 2023		Unbilled	Not Due	Outstanding for following periods from due date of payment					Rs. in million	
				Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i)	Undisputed Trade receivables – considered good	32.0	2,842.6	311.4	5.3	25.3	8.6	5.7	3,230.7	
(ii)	Disputed Trade Receivables – credit impaired	-	-	-	0.3	-	4.8	3.2	8.3	
Total		32.0	2,842.6	311.4	5.6	25.3	13.4	8.9	3,239.0	

ii) As at March 31, 2024		Unbilled	Not Due	Outstanding for following periods from due date of payment					Rs. in million	
				Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i)	Undisputed Trade receivables – considered good	32.9	3,374.9	311.4	28.7	25.4	22.4	15.3	3,811.0	
(ii)	Disputed Trade Receivables – credit impaired	-	-	-	1.1	5.7	4.1	3.5	14.4	
Total		32.9	3,374.9	311.4	29.8	31.1	26.5	18.8	3,825.4	

Note 13(b): Cash and cash equivalents

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Balance with banks :		
In current accounts	33.6	69.3
In cash credit accounts	454.8	47.9
In EEFC account	69.8	102.5
In fixed deposit accounts (with original maturity of less than 3 months)	160.0	-
Total	718.2	219.7

Note 13(c): Bank balances other than cash and cash equivalents

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Unpaid Dividend	1.1	1.5
Total	1.1	1.5

Note 13(d): Loans

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Loans to employees	5.0	8.5
Total	5.0	8.5

Loans to employees is as per policy of the Company.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 13: Current financial assets (Contd...)

Sub-classified as:

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Loans considered good - Secured	-	-
Loans considered good - Unsecured	5.0	8.5
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	5.0	8.5

Note 13(e): Other current financial assets

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Security deposits	5.8	4.9
Derivative contracts	2.8	1.3
Insurance claim receivables	0.3	0.7
Total	8.9	6.9

Note 14: Contract assets

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Receivable towards contracts in progress (Refer Note 40)	49.5	43.2
Total	49.5	43.2

Note 15: Other current assets

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Advance to suppliers	9.4	35.9
Prepaid expenses		
- Corporate Social Responsibility [Refer note 30(b)]	2.1	-
- Others	73.2	97.3
Surplus in defined benefit plan assets (Refer Note 35)	-	7.8
Balances with government authorities:		
- GST (input tax credit)	400.2	647.7
- Others	1.2	6.9
Export incentive receivable	9.5	15.0
Advance to Employees	0.3	1.6
Total	495.9	812.2

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 16: Equity share capital

	Rs. in million			
	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of Rs. 10 each	3,00,00,000	300.0	3,00,00,000	300.0
Issued, Subscribed and fully paid-up				
Equity shares of Rs. 10 each	2,71,90,884	271.9	2,71,90,884	271.9

The above excludes 12,967 (March 31, 2023: 12,967) equity shares of Rs.10/- each relating to rights issue (2003-04 and 2013-14), which are kept in abeyance since the matter is pending for disposal at City Civil Court, Calcutta.

(i) There is no movement in number of equity shares and the amount outstanding thereon during the year ended March 31, 2024 and March 31, 2023.

(ii) Rights, Preferences and Restrictions attached to Equity shares

The Company has only one class of equity shares having a face value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend recommended by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Number of Shares of the Company held by holding Company or ultimate holding Company or subsidiaries of ultimate holding Company

	As at March 31, 2024	As at March 31, 2023
JCHAC India Holdco Limited, UK - Holding Company	2,01,89,894	2,01,89,894
Johnson Controls-Hitachi Air Conditioning Holding (UK) Limited - Subsidiary of Ultimate Holding Company	635	635

(iv) Details of shareholders holding more than 5% of the Equity shares in the Company

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of holding	No. of shares	% of holding
JCHAC India Holdco Limited	2,01,89,894	74.25%	2,01,89,894	74.25%
Aditya Birla Sun Life Trustee Company Private Limited	14,73,180	5.42%	20,83,861	7.66%

(v) There were no shares bought back nor allotted either as fully paid up bonus shares or under any contract without payment being received in cash during five years immediately preceding March 31, 2024.

(vi) Details of Shareholding of Promoters in the Company as at March 31, 2023

Promoter Name	No. of Shares	% of total shares	% Change during the year
JCHAC India Holdco Limited	2,01,89,894	74.25%	-
Johnson Controls-Hitachi Air Conditioning Holding (UK) Limited	635	0.00%*	-
Total	2,01,90,529	74.25%	-

* Less than rounding off norms adopted by the Company.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 16: Equity share capital (Contd...)

Details of Shareholding of Promoters in the Company as at March 31, 2024

Promoter Name	No. of Shares	% of total shares	% Change during the year
JCHAC India Holdco Limited	2,01,89,894	74.25%	-
Johnson Controls-Hitachi Air Conditioning Holding (UK) Limited	635	0.00%*	-
Total	2,01,90,529	74.25%	-

* Less than rounding off norms adopted by the Company.

Note 17: Other equity

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Reserves and Surplus		
(a) Securities premium (Note (i) below)	895.4	895.4
(b) General reserve (Note (ii) below)	229.8	229.8
(c) Capital reserve (Note (iii) below)	0.7	0.7
(d) Retained earnings		
Opening Balance	5,193.9	6,000.9
Add: (Loss) for the year	(757.1)	(821.4)
Items of Other Comprehensive Income (OCI) recognised directly in retained earnings:		
Remeasurement of post employment benefit obligations (loss) / gain, net of taxes	(4.9)	14.4
Total retained earnings	4,431.9	5,193.9
Total	5,557.8	6,319.8

Notes:

- Securities premium is used to record the premium on issue of shares. It is to be utilized in accordance with the provisions of the Act.
- General reserve represents amounts appropriated out of retained earnings. It is to be utilized in accordance with the provisions of the Act.
- Capital reserve has arisen mainly on account of re-issue of forfeited shares.

Note 18: Non-current liabilities

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
(a) Provision for litigations and probable claims (Refer Note 34)	275.2	273.5
(b) Provision for Warranty (Refer Note 34)	315.9	318.0
Total	591.1	591.5

Note 19: Other non-current liabilities

Accounting Policy

Government grants relating to the purchase of property, plant and equipment are included in current and non-current liabilities as deferred Government Grant and are credited to the Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Deferred Government Grant	123.8	155.2
Total	123.8	155.2

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 20: Current financial liabilities

Note 20(a): Current Borrowings

Accounting Policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

See note 45 for the other accounting policies relevant to borrowings.

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Unsecured		
Working capital loans from bank (including interest accrued but not due thereon)	-	1,430.3
Total	-	1,430.3

Notes:

- (i) Rate of interest for the year ended March 31, 2024 ranges from 7.50% p.a. to 8.15 % p.a. (March 31, 2023 : 4.36% p.a. to 8.10% p.a.)
- (ii) Amount of Rs. 1,410.0 million and Rs. 20.0 million outstanding as at March 31, 2023 was repayable on April 07, 2023 and April 12, 2023, respectively.
- (iii) The Company did not have borrowings from banks/financial institutions on the basis of security of current assets during the year ended March 31, 2024 and March 31, 2023.
- (iv) The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (v) There are no charges or satisfactions which were to be registered with the Registrar of Companies during the year ended March 31, 2024 and March 31, 2023.
- (vi) As at year end March 31, 2024 and March 31, 2023, the Company has used the borrowings from banks / financial institutions for the purpose for which it was taken.
- (vii) Net Debt Reconciliation :

	Year ended March 31, 2024		Year ended March 31, 2023	
	Working Capital loans	Leases obligations	Working Capital loans	Leases obligations
Net Debt at the beginning of the year	1,430.3	499.9	430.1	694.5
Lease obligations recognised during the year	-	166.0	-	94.2
Lease obligations derecognised during the year	-	(46.5)	-	(9.6)
Cash (Outflow) / Inflow (net)	(1,430.3)	(138.6)	1,000.2	(279.2)
Finance costs	115.0	39.4	19.5	46.7
Finance cost paid	(115.0)	(39.4)	(19.5)	(46.7)
Net Debt at the closing of the year	-	480.8	1,430.3	499.9

Note 20(b): Trade payables

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises (Refer below)	986.4	851.1
Total outstanding dues other than above	6,903.7	6,167.7
Total	7,890.1	7,018.8

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 20: Current financial liabilities (Contd...)

The Company has certain dues payable to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	990.4	853.2
Interest thereon due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.1	0.1
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	382.0	423.2
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	1.3	0.6
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
Interest accrued and remaining unpaid at the end of each accounting year (Not due)	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	1.0	0.7

Note (a): The above information regarding dues payable to Micro and Small enterprises is compiled by management to the extent the information is available with the Company regarding the status of suppliers as Micro and Small enterprises.

Note (b): The amount debited to the Statement of Profit and Loss for the year ended March 31, 2024 is Rs. 1.1 million (March 31, 2023 - Rs. 0.8 million).

Ageing schedule for trade payables:

i) As at March 31, 2023								Rs. in million
		Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
				Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Micro and small enterprises (undisputed)	11.4	827.7	12.0	-	-	-	851.1
(ii)	Others (undisputed)	1,185.0	4,495.9	484.8	2.0	-	-	6,167.7
Total		1,196.4	5,323.6	496.8	2.0	-	-	7,018.8
ii) As at March 31, 2024								Rs. in million
		Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
				Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Micro and small enterprises (undisputed)	53.2	889.7	43.5	-	-	-	986.4
(ii)	Others (undisputed)	1,617.6	4,974.8	235.2	76.1	-	-	6,903.7
Total		1,670.8	5,864.5	278.7	76.1	-	-	7,890.1

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 20(c) Other financial liabilities

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Employee related payables	105.9	173.3
Deposit from dealers and others	39.0	36.3
Payable for capital supplies #	23.3	55.1
Derivative contracts	0.2	9.3
Unclaimed Dividends *	1.1	1.5
Payable for Discount to Customers	28.4	17.5
Total	197.9	293.0

Includes: March 31, 2024 Rs. 4.0 million (March 31, 2023: Rs. 2.1 million) payable to Micro and Small Enterprises.

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

Note 21: Contract Liabilities

	Rs. in million	
(Refer Note 40)	As at March 31, 2024	As at March 31, 2023
Advance received from customers	357.5	335.6
Deferred Income pertaining to annual maintenance contracts	113.4	77.7
Liabilities for contract in progress	27.1	11.7
Total	498.0	425.0

Note 22: Current provisions

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Gratuity (Refer Note 35)	15.6	-
Provision for compensated absences (Refer Note 35)	162.3	155.1
Provision for Warranty (Refer Note 34)	182.6	175.6
Total	360.5	330.7

Note 23: Other current liabilities

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Statutory dues	461.6	451.9
Deferred Government Grant	30.4	30.1
E-Waste related liability (Refer note below)	108.3	67.8
Total	600.3	549.8

Note: As per the E-Waste (Management) Rules, 2022, each year the Company is required to ensure re-cycling of e-waste, to the extent provided in these rules, in relation to electronic products (Air Conditioners and Refrigerators) sold in the preceding 10th year as its Extended Producer Responsibility. Based on management assessment and supported by legal opinion, obligation to ensure recycling of the e-waste would only arise on annual basis for the products sold in preceding 10th year on a going concern basis. Accordingly, the Company continues to assess and recognise the liability on year to year basis.

Note 24: Revenue from operations

Accounting Policy

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. The transaction price of goods sold or services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as a part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved. The Company collects Goods and Services Tax on behalf of the Government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Sale of Products:

Sales of products are recognised as revenue when control of the products has transferred, being when products are delivered to the customer i.e. satisfaction of the performance obligation. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Sale of Services:

Sale of services includes following:-

1. Revenue from Annual Maintenance Contracts (AMCs) is recognised over the period of respective contract on a straight line basis.
2. Revenue from Design and development services is recognised over the period of time on cost plus mark-up basis.
3. Revenue from specific repairs and maintenance (other than AMCs) contracts is recognised at a point in time in accordance with the terms of the contract.
4. Revenue from contract with customer for installation and commissioning of air conditioning system is recognised with reference to stage of completion. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

	Rs. in million	
	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contract with customers (Refer Note: 40)		
Sale of Products		
- Manufactured Goods	15,444.1	18,782.0
- Traded Goods	2,138.2	3,436.0
	17,582.3	22,218.0
Sale of services	1,407.0	1,312.5
Other operating revenues		
- Export Incentive	6.3	9.7
- Scrap Sales	191.4	304.2
Total	19,187.0	23,844.4

Note 25: Other Income

	Rs. in million	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest income :		
- from banks on term deposits	3.4	27.8
- on Income Tax Refund	2.5	0.7
- from others	0.9	2.2
Lease rent income (Refer Note 6)	3.0	2.9
Facility charges (Refer Note 38)	15.4	12.4
Government Grants	31.1	18.8
Liabilities no longer required written back	18.3	27.8
Gain on lease modification (net)	8.7	-
Miscellaneous income	18.0	27.2
Total	101.3	119.8

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 26: Changes in inventories of finished goods, Stock-in-trade and work-in-progress

	Rs. in million	
	Year ended March 31, 2024	Year ended March 31, 2023
Inventories at the end of the year		
Work-in-progress	201.4	274.1
Finished goods	3,117.2	3,987.5
Stock-in-trade	658.3	1,045.5
	3,976.9	5,307.1
Inventories at the beginning of the year		
Work-in-progress	274.1	200.1
Finished goods	3,987.5	4,109.3
Stock-in-trade	1,045.5	1,271.7
	5,307.1	5,581.1
Total	1,330.2	274.0

Note 27: Employee benefits expense

	Rs. in million	
	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and other benefits	1,514.8	1,612.4
Contribution to provident and other funds (Refer Note 35)	114.0	127.6
Workmen and Staff welfare expense	73.3	96.3
Total	1,702.1	1,836.3

Note 28: Finance costs

	Rs. in million	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest Cost on borrowings at amortised cost	115.0	15.0
Interest on delayed payment of Custom Duty	0.3	1.7
Interest on shortfall in payment of advance income tax	-	2.0
Interest and finance charges on lease liabilities [Refer note 4(iii)]	39.4	46.7
Interest due and payable towards suppliers registered under MSMED Act (Refer Note 20(b))	1.1	0.8
Unwinding of interest on provisions (Refer note 34)	10.6	9.1
Total	166.4	75.3

Note 29: Depreciation and amortisation expenses

	Rs. in million	
	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of property, plant and equipment (Refer note 3)	479.8	414.9
Depreciation on right of use assets [Refer note 4(iii)]	132.6	270.8
Depreciation on investment property (Refer note 6)	0.2	0.2
Amortisation of intangible assets (Refer note 7)	30.9	66.7
Total	643.5	752.6

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 30: Other expenses

	Rs. in million	
	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores and spares	39.3	38.2
Power and fuel	189.4	228.3
Contract labour / staff charges	537.7	575.2
Rent [Refer Note 4 (iii)]	300.6	182.6
Repairs and maintenance - Machinery	78.0	67.1
Repairs and maintenance - Others	18.6	16.4
Insurance	73.2	87.5
Repair and installation expenses for service operations	164.9	173.4
Rates and taxes	1.8	8.4
Royalty (Refer Note 38)	301.3	374.2
Advertisement and sales promotion	376.7	439.0
Annual Maintenance Contract (AMC) expenses	335.3	328.6
Freight and forwarding expenses	577.6	684.7
Warranty expenses (Refer Note 34)	325.3	543.4
Legal and professional fees	280.0	126.1
Corporate Social Responsibility expenses [Refer Note 30(b)]	-	13.4
Provision for doubtful debts	9.9	(1.9)
Payment to Auditors [Refer Note 30(a)]	5.0	4.8
Net loss on sale of Property, Plant and Equipment	10.0	7.2
Loss on foreign exchange fluctuations (net)	2.7	64.2
Travelling and Conveyance	59.4	54.3
Miscellaneous expenses	324.8	300.1
Total	4,011.5	4,315.2

Note 30(a): Details of payment to auditors

	Rs. in million	
	Year ended March 31, 2024	Year ended March 31, 2023
Payment to auditors:		
- As auditors		
Statutory Audit fees	2.8	2.5
Limited Review fees	1.4	1.4
Tax Audit fees	0.5	0.5
- Other Services		
Certification fees	-	0.1
- Reimbursement of expenses	0.3	0.3
Total	5.0	4.8

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 30: Other expenses (Contd...)

Note 30(b): Corporate social responsibility expenses

	Rs. in million	
	Year ended March 31, 2024	Year ended March 31, 2023
Nature of CSR activities:		
Promotion of healthcare including preventive healthcare	1.2	6.3
Livelihood enhancement projects	0.9	4.3
Amount spent in Administrative overheads		0.6
Accrual towards unspent obligations in relation to:		
Ongoing projects	-	-
Other than ongoing projects	-	-
Total	2.1	11.2
Gross amount required to be spent by the Company during the year under section 135 of the Act:	-	13.0
Amount of expenditure incurred, :		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	2.1	11.2

Note:

- i) There is no shortfall in CSR spend during current and previous year.
- ii) There is no amount contributed to related party for CSR.

Details of excess CSR expenditure under Section 135(5) of the Act

	Rs. in million
Balance excess spent as at April 01, 2022	2.2
Amount spent during the year ended March 31, 2023	11.2
Total amount of CSR expenditure for the year ended March 31, 2023	13.4
Amount required to be spent during the year ended March 31, 2023	13.0
Balance excess spent as at March 31, 2023*	-
Amount spent during the year ended March 31, 2024	2.1
Total amount of CSR expenditure for the year ended March 31, 2024	2.1
Amount required to be spent during the year ended March 31, 2024	-
Balance excess spent as at 31 March, 2024	2.1

The excess CSR spent of Rs. 2.1 million during the year ended March 31, 2024 was carried forward for set off as per the approval of Board of Directors on May 23, 2024.

* The excess CSR spent of Rs. 0.4 million during the year ended March 31, 2023 had not been carried forward by the Company.

Movement of provision in respect of liability incurred towards contractual obligation

	Rs. in million
As at April 1, 2022	0.9
Charged to profit or loss	0.5
Amounts used during the year	(0.9)
As at March 31, 2023	0.5
Charged to profit or loss	-
Amounts used during the year	(0.5)
As at March 31, 2024	-

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 31: Current and Deferred Tax

Accounting Policy

Deferred tax is provided in full, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, if any, only if it is probable that future taxable income will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. See note 45 for the other accounting policies relevant to taxes.

Note 31 (a): Movement of tax expense

	Rs. in million	
	Year ended March 31, 2024	Year ended March 31, 2023
Income tax expense		
Current tax		
Current tax for the year*	22.0	18.7
Adjustments for current tax of prior periods	-	16.2
Total current tax expense	22.0	34.9
Deferred tax		
(Increase) in deferred tax assets	(238.3)	(266.4)
(Decrease) / increase in deferred tax liabilities	(16.6)	1.0
Total deferred tax expense/(credit)	(254.9)	(265.4)
Total income tax expense	(232.9)	(230.5)

Note 31 (b): Income Tax expenses / (credit) of Rs. 1.6 million [March 31, 2023 - Rs. (4.9) million] has been recognised in other comprehensive income on account of actuarial remeasurements of post employment benefit obligations.

No aggregate amounts of current and deferred tax have arisen in the reporting periods which have not been recognized in net profit or loss or other comprehensive income but directly debited/ (credited) to equity.

* Current tax for the year ended March 31, 2024 and March 31, 2023 represents current tax liability in respect of a foreign jurisdiction where credit is not available in current year due to tax losses.

Note 31 (c): The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

	Rs. in million	
	Year ended March 31, 2024	Year ended March 31, 2023
Profit before tax from continuing operations	(990.0)	(1,051.9)
Rate of income tax	25.17%	25.17%
Income tax expenses	(249.2)	(264.8)
Differences due to:		
Expenses not deductible for tax purposes	0.4	3.5
Income exempt from income tax or taxable at concessional rate	(0.2)	(0.2)
Current tax liability in respect of a foreign jurisdiction where tax credit is not available in current year in India due to tax losses	22.0	18.7
Tax adjustment of earlier year	(0.4)	16.2
Others	(5.5)	(3.9)
Expense recognised	(232.9)	(230.5)

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 32: Contingent liabilities, contingent assets & commitments

Accounting Policy

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

When there is possible obligation or present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made.

(a) Contingent liabilities

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Tax matters under dispute :		
Service tax	92.7	119.3
Sales tax	208.6	210.1
Income tax	66.2	51.9
Excise duty	0.3	0.3
Goods and Services tax	136.6	4.4
Claims against the Company not acknowledged as debts	19.7	15.5
Bonus liability pertaining to financial year 2014-15	5.8	5.8
Total	529.9	407.3

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Management believes that its position in the aforesaid direct and indirect tax demands and other claims is likely to be upheld in the appellate process. It is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending resolution of the proceedings with the appellate authorities.

(b) The Honorable Supreme Court of India's Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation laid down principles regarding non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. Based on the assessment of the management, the aforesaid matter is not likely to have a significant impact.

(c) Capital commitments

(Rs. in million)

	(Rs. in million)	
	As at March 31, 2024	As at March 31, 2023
Estimated value of contracts in capital account remaining to be executed and not provided for (net of advances)	108.1	282.9
Total	108.1	282.9

(d) Other commitments

(Rs. in million)

	(Rs. in million)	
	As at March 31, 2024	As at March 31, 2023
The Company has imported Capital Goods under the Export Promotion Capital Goods Scheme, of the Government of India, at concessional rates of duty on an undertaking to fulfil quantified exports within specified years. Export obligation outstanding at the year end is:	342.5	342.5
Total	342.5	342.5

(e) There are no contingent assets recognised as at the year end (March 31, 2023 Rs. Nil)

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 33: Research and Development

The amount of Research and Development expenditure incurred in respect of capital expenditure amounted to Rs. Nil (March 31, 2023 Rs. Nil) and in respect of revenue expense amounted to Rs. 294.3 million (March 31, 2023 Rs. 284.6 million). The Research and Development expenditure is incurred in respect of cooling products for comfort and commercial use.

Note 34: Provisions

Accounting Policy

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

See note 45 for the other accounting policies relevant to provisions.

Provision for Warranty Expense

The Company gives one year complete warranty (service and parts), 4 years additional warranty for gas charging and parts, 5 years warranty on controllers and 5 or 10 years warranty on compressor at the time of sale to ultimate customer of its products. It is expected that the most of the expenses against the provision will be incurred within warranty period, as the case may be.

Provision for warranty consider historical trends and experience regarding, average failure rate, replacement cost and other variables.

Provision for litigations and probable claims

Provision for litigations and probable claims include likely claims against the Company in respect of certain indirect tax matters whose outcome depends on their ultimate settlement / conclusion.

Movement in each class of provision during the financial year, are set out below:

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	Rs. in million		
	Provision for Warranty Expense	Provision for litigations and probable claims	Total
As at April 1, 2022	400.3	268.5	668.8
Charged/(credited) to profit or loss			
- additional provision recognized	374.1	15.4	389.5
- unused amounts reversed	(34.6)	-	(34.6)
- unwinding of discount	9.1	-	9.1
Amounts used during the year	(255.3)	(10.4)	(265.7)
As at March 31, 2023	493.6	273.5	767.1
Charged/(credited) to profit or loss			
- additional provision recognized	271.6	3.5	275.1
- unused amounts reversed	(91.6)	-	(91.6)
- unwinding of discount	10.6	-	10.6
Amounts used during the year	(185.7)	(1.8)	(187.5)
As at March 31, 2024	498.5	275.2	773.7

Note: Provision for warranty during the year and utilization do not include Rs.150.2 Million for the year ended March 31, 2024 (March 31, 2023 - Rs. 203.9 million) contractually payable to dealers and service providers to meet warranty cost.

Note 35: Employee benefit obligations

(a) Compensated absences

The Compensated absences covers the liability for privilege leave and sick leave.

(b) Post employment obligations

Post-employment obligations -

The Company operates the following post-employment schemes:

- defined benefit plans - gratuity, and
- defined contribution plans – provident fund and employees' state insurance.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 35: Employee benefit obligations (Contd...)

Defined contribution plans

The Company contributes on a defined contribution basis to Employees' Provident Fund / Pension Fund and Employees' State Insurance. The contributions towards Provident Fund / Pension Fund and Employees' State Insurances is made to regulatory authorities. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

The expense recognized during the year towards defined contribution plan is as under:

	Rs. in million	
	Year ended March 31, 2024	Year ended March 31, 2023
Employer's Contribution to Provident fund	81.5	79.2
Employer's Contribution to Employee State Insurance*	-	0.1
Total	81.5	79.3

*Amount of Rs. 18,126 for year ended March 31, 2024.

Defined benefit plans

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated at the year end by an independent actuary using the projected unit credit method.

Gratuity

The Company provides gratuity to employees in India. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan. The scheme is funded with Life Insurance Corporation in the form of a qualifying insurance policy.

The amount recognized in the balance sheet and movement of defined benefit obligation for the year are as follows:

	Rs. in million		
	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2022	330.2	(351.0)	(20.8)
Current service cost	36.0	-	36.0
Interest expense/(income)	23.2	(25.3)	(2.1)
(Gain)/loss on settlement	(0.8)	-	(0.8)
Total amount recognized in the Statement of Profit and Loss	58.4	(25.3)	33.1
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	3.4	3.4
(Gain) /loss from change in financial assumptions	(11.5)	-	(11.5)
Experience (gains) /losses	(11.2)	-	(11.2)
Total amount recognized in Other comprehensive income	(22.7)	3.4	(19.3)
Employer contributions	-	-	-
Benefit payments	(30.7)	29.9	(0.8)
March 31, 2023	335.2	(343.0)	(7.8)
Current service cost	33.9	-	33.9
Interest expense/(income)	23.3	(24.7)	(1.4)
Total amount recognized in the Statement of Profit and Loss	57.2	(24.7)	32.5

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 35: Employee benefit obligations (Contd...)

Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	3.5	3.5
(Gain) /loss from change in demographic assumption	(0.5)	-	(0.5)
(Gain) /loss from change in financial assumptions	6.6	-	6.6
Experience (gains) /losses	(3.1)	-	(3.1)
Total amount recognized in Other comprehensive income	3.0	3.5	6.5
Employer contributions	(15.6)	-	(15.6)
Benefit payments	(50.7)	50.7	-
March 31, 2024	329.1	(313.5)	15.6

The net liability disclosed above relating to funded plan is as follows:

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets	(313.5)	(343.0)
Present value of funded obligation	329.1	335.2
Deficit/(Surplus) of gratuity plan	15.6	(7.8)

Categories of plan assets are as follows:

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Insurer managed fund	313.5	343.0
Total	313.5	343.0

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at March 31, 2024	As at March 31, 2023
Discount rate (p.a.)	7.00%	7.20%
Salary growth rate (p.a.)	7.50%	7.50%

Future mortality rates are obtained from relevant table of Indian Assured Lives Mortality (2012-14) Ultimate as at March 31, 2024 and March 31, 2023.

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Rs. in million	
Defined benefit obligation	As at March 31, 2024	As at March 31, 2023
Discount rate (Change in assumptions)		
Increase by 1%	(298.2)	(304.8)
Decrease by 1%	365.3	371.0
Salary growth rate (Change in assumptions)		
Increase by 1%	364.8	370.6
Decrease by 1%	(298.1)	(304.6)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method) has been applied as when calculating the defined benefit liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 35: Employee benefit obligations (Contd...)

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed as below:

Investment risk : If the actual return on plan assets were below the return anticipated on the basis of the discount rate, the net defined benefit obligation would increase, assuming there were no changes in other parameters. This could happen as a result of a drop in return of the fund.

Interest-rate risk: A decrease in the market yields in the government bond will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Demographic risk: The gratuity plan provides a lump sum payment to vested employees at the time of retirement, death, incapacitation or termination of employment. Change in attrition rate or mortality assumption as compared to actual rate may result in change in benefit obligations, benefit expense and/ or payments than previously anticipated.

Salary escalation: The present value of defined benefit plan liability is calculated considering future salaries of plan participants. As such, an additional increase in the salary of the plan participants will increase the plan's liability.

Defined benefit liability and employer contributions

Expected contributions to post-employment benefit plans for the year ending March 31, 2025 is Rs. 15.5 million (March 31, 2023 - Rs. 22.3 million).

The weighted average duration of the defined benefit obligation is 14.33 years (March 31, 2023 – 14.57 years). The expected maturity analysis of undiscounted gratuity benefit is as follows:

Duration	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Less than a year	17.5	22.3
Between 1-2 years	16.3	19.7
Between 2-5 years	68.3	73.2
Between 5-10 years	151.1	147.3
Over 10 years	532.3	550.5

Note 36: Fair value measurements

(i) Classification of Financial Instruments

This section mentions the classification of financial instruments as under:

	Rs. in million					
	As at March 31, 2024			As at March 31, 2023		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Trade Receivables	-	-	3,788.3	-	-	3,211.8
Loans to Employees	-	-	5.7	-	-	11.1
Derivative Contracts	2.8	-	-	1.3	-	-
Insurance claim receivables	-	-	0.3	-	-	0.7
Margin money deposits	-	-	0.1	-	-	0.1
Security deposits	-	-	35.0	-	-	44.6
Cash and cash equivalents	-	-	718.2	-	-	219.7
Bank balances other than Cash and cash equivalents above	-	-	1.1	-	-	1.5
Total financial assets	2.8	-	4,548.7	1.3	-	3,489.5
Financial liabilities						
Borrowings	-	-	-	-	-	1,430.3
Trade payables	-	-	7,890.1	-	-	7,018.8
Deposit from dealers and others	-	-	39.0	-	-	36.3
Payable for capital supplies	-	-	23.3	-	-	55.1
Unclaimed dividends	-	-	1.1	-	-	1.5
Employee related payables	-	-	105.9	-	-	173.3
Derivative Contracts	0.2	-	-	9.3	-	-
Payable for discount to customer	-	-	28.4	-	-	17.5
Total financial liabilities	0.2	-	8,087.8	9.3	-	8,732.8

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 36: Fair value measurements (Contd...)

(ii) Fair value hierarchy

This section explains the judgements & estimates made in determining the fair values of the financial instruments. The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

- (a) Only derivative contracts are measured at fair value. These derivative contracts are categorised as Level 2 financial instruments.
- (b) For all financial instruments referred above that have been measured at amortised cost, their carrying values are reasonable approximations of their fair values. These are classified as level 3 financial instruments.

There were no transfers between Level 1, Level 2 and Level 3 during the year.

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Considering that all significant inputs required to fair value such instruments are observable, these are included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(iii) Valuation technique used to determine fair value of financial instruments

- Measured at FVPL / FVOCI

The fair value of derivative contracts is determined using counterparty quote based on forward exchange rates as at the balance sheet date.

- Measured at amortised cost

The carrying amounts of current financial assets and liabilities are considered to be the same as their fair values due to short-term nature of such balances. Difference between fair value of non-current financial instruments carried at amortised cost and the carrying value is not considered to be material to the financial statement.

(iv) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).

Note 37: Financial risk management and Capital management

Financial risk management

The Company's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Company has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to their business operations. The Company's principal financial liabilities comprise of trade payables and borrowings. The Company's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Company's financial performance. The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows :

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management is carried out by the management in consultation with the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific risk areas.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and from deposits with banks and other financial instruments.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 37: Financial risk management and Capital management (Contd...)

Trade receivables are derived from revenue earned from customers. Credit risk for trade receivable is managed by the Company through credit approvals, establishing credit limits and periodic monitoring of the creditworthiness of its customers to which the Company grants credit terms in the normal course of business. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Additionally, the Company has granted corporate guarantees to bank against the credit facilities availed by customers amounting to Rs. 75.0 million (March 31, 2023 - Rs. 75.0 million). This is not considered significant component to the overall operations of the Company.

The Company uses the Expected Credit Loss (ECL) model to assess the impairment loss in respect of its financial assets.

As per ECL simplified approach, the Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of Company's customers' financial condition; aging of trade accounts receivable; the value and adequacy of collateral received from the customers in certain circumstances (if any); the Company's historical loss experience; and adjustment based on forward looking information. The Company defines default as an event when there is no reasonable expectation of recovery. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

While cash and cash equivalents are also subject to the impairment requirements of Ind AS 109, the Company has not identified impairment loss in view of banks having high credit rating. In respect of security deposits and other financial assets, the risk of financial loss on account of credit risk is not expected to be material to the financial statements.

The Company does not have a high concentration of credit risk to a single customer forming part of a group exceeding 10% of company revenue. Such single largest customer has the total exposure in receivables of Rs. 288.2 million as of March 31, 2024 (March 31, 2023 - Rs. 276.8 million). None of the other financial instruments of the Company result in material concentration of credit risk.

Financial assets are written off when there is no reasonable expectation of recovery, such as a counter-party failing to engage in a repayment plan with the Company. Where recoveries are made, these are recognised in the Statement of Profit and Loss.

Loss allowance as at March 31, 2024 and March 31, 2023 was determined as follows for both trade receivables and contract assets under the ECL simplified approach:

As at March 31, 2023	Not Due / unbilled	Outstanding for following periods from due date of payment					Total	Rs. in million
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
Gross carrying amount - Trade Receivables	2,874.6	311.4	5.6	25.3	13.3	8.9	3,239.0	
Gross carrying amount - Contract Assets	43.2	-	-	-	-	-	43.2	
Total	2,917.8	311.4	5.6	25.3	13.3	8.9	3,282.2	
Expected Loss Rate - Direct Customers	0.1%	3.4%	38.6%	100.0%	100.0%	100.0%		
Expected Loss Rate - Service Customers	0.1%	0.7%	4.2%	23.0%	77.9%	100.0%		
Expected Loss Rate - Dealers	0.0%	2.0%	31.9%	100.0%	100.0%	100.0%		
Expected Loss Rate - Project Customers	0.2%	0.5%	1.1%	4.2%	66.5%	100.0%		
Expected credit losses – on trade receivables and Contract Assets	0.9	1.7	1.5	1.1	5.0	5.7	15.9	
Provision due to credit Impaired	-	-	0.3	-	4.8	3.2	8.3	
Provisions on basis of forward looking information	-	-	-	-	-	-	3.0	
Total Provision on trade receivables and Contract Assets	0.9	1.7	1.8	1.1	9.8	8.9	27.2	
Carrying amount of trade receivables and Contract Assets (net of impairment)	2,916.9	309.7	3.8	24.2	3.5	-	3,255.0	

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 37: Financial risk management and Capital management (Contd...)

As at March 31, 2024	Rs. in million						Total
	Not Due / unbilled	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Gross carrying amount - Trade Receivables	3,407.8	311.4	29.8	31.1	26.5	18.8	3,825.4
Gross carrying amount - Contract Assets	49.5	-	-	-	-	-	49.5
Total	3,457.3	311.4	29.8	31.1	26.5	18.8	3,874.9
Expected Loss Rate - Direct Customers	0.0%	2.6%	33.1%	100.0%	100.0%	100.0%	
Expected Loss Rate - Service Customers	0.1%	1.0%	5.2%	20.2%	79.4%	100.0%	
Expected Loss Rate - Dealers	0.0%	1.9%	12.6%	100.0%	100.0%	100.0%	
Expected Loss Rate - Project Customers	0.1%	1.6%	4.5%	10.7%	64.4%	100.0%	
Expected credit losses – on trade receivables and Contract Assets	0.4	0.7	3.6	0.5	2.2	15.3	22.7
Provision due to credit Impaired	-	-	1.1	5.7	4.1	3.5	14.4
Total Provision on trade receivables and Contract Assets	0.4	0.7	4.7	6.2	6.3	18.8	37.1
Carrying amount of trade receivables and Contract Assets (net of impairment)	3,456.9	310.7	25.1	24.9	20.2	-	3,837.8

The movement in the allowance for impairment in respect of trade receivables is as follows:

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Balance at the beginning	27.2	49.5
Impairment loss recognised/(reversed)	14.4	(1.9)
Amounts written off	(4.5)	(20.4)
Balance at the end	37.1	27.2

(B) Management of Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in cash flow could undermine the Company's credit rating and impair investor confidence.

The Company has sufficient unutilised unsecured credit facilities amounting to Rs. 5,824.1 million as at March 31, 2024 (March 31, 2023: Rs. 3,852.5 million) from its bankers to address any potential liquidity risk. Further, the Company expects realisation of its current assets including accounts receivables and inventories within twelve months ending March 31, 2025.

Maturities of financial liabilities

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance sheet date:

As at March 31, 2023	Note No.	Carrying amount	Rs. in million		
			Less than 12 months	More than 12 months	Total
Non derivatives					
Current Borrowings	20 (a)	1,430.3	1,430.3	-	1,430.3
Lease Liabilities		499.9	164.3	435.7	600.0
Trade payables	20 (b)	7,018.8	7,018.8	-	7,018.8
Deposits from dealers and others	20 (c)	36.3	36.3	-	36.3
Payable for capital supplies	20 (c)	55.1	55.1	-	55.1
Unclaimed dividends	20 (c)	1.5	1.5	-	1.5
Refund liabilities (Payable for Discounts to customers)	20 (c)	17.5	17.5	-	17.5
Employee related payables	20 (c)	173.3	173.3	-	173.3

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 37: Financial risk management and Capital management (Contd...)

As at March 31, 2023	Note No.	Carrying amount	Less than 12 months	More than 12 months	Total
Derivatives					
Derivative contracts	20 (c)	9.3	9.3	-	9.3
Total liabilities		9,242.0	8,906.4	435.7	9,342.1

					Rs. in million
As at March 31, 2024	Note No.	Carrying amount	Less than 12 months	More than 12 months	Total
Non derivatives					
Lease Liabilities		480.8	205.7	359.6	565.3
Trade payables	20 (b)	7,890.1	7,890.1	-	7,890.1
Deposits from dealers and others	20 (c)	39.0	39.0	-	39.0
Payable for capital supplies	20 (c)	23.3	23.3	-	23.3
Unclaimed dividends	20 (c)	1.1	1.1	-	1.1
Refund liabilities (Payable for Discounts to customers)	20 (c)	28.4	28.4	-	28.4
Employee related payables	20 (c)	105.9	105.9	-	105.9
Derivatives					
Derivative contracts	20 (c)	0.2	0.2	-	0.2
Total liabilities		8,568.8	8,293.7	359.6	8,653.3

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(C) Market Risk

Market risk comprises of foreign currency risk and interest rate risk. Interest rate risk arises from variable rate borrowings that expose the Company's financial performance, financial position and cash flows to the movement in market rates of interest. The Company usually have short term borrowings which are primarily fixed rate interest bearing borrowings. Hence, the Company is not significantly exposed to interest rate risk. Foreign currency risk arises from transactions that are undertaken in a currency other than the functional currency of the Company. Further, the financial performance and financial position of the Company is exposed to foreign currency risk that arises on outstanding receivable and payable balances at a reporting year end date.

Foreign currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit and Loss.

Considering the economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in foreign currency exchange rates. The risks primarily relate to fluctuations in US Dollar (USD) and Japanese Yen (JPY) to the functional currency (Rs.) of the Company.

The Company, as per risk management policy, uses forward exchange derivative contracts to hedge foreign currency risk. The Company evaluates the impact of foreign exchange rate fluctuations by assessing exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with risk management policies. The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange exposure and a simultaneous foreign exchange rate shift of USD by 5% and JPY by 5% against the functional currency of the Company.

The Company undertakes import and export transactions which expose the Company to foreign currency risk. It imports capital goods, raw materials, components, spare parts and stock-in-trade.

The Company's foreign currency exposure arises mainly from foreign currency imports. As at the end of the reporting period, the carrying amount of the Company's foreign currency denominated monetary assets and liabilities in respect of various foreign currency and derivative to hedge the exposure is as follows:

Underlying Currency	Rs. in million			
	As at March 31, 2024		As at March 31, 2023	
	USD	JPY	USD	JPY
Assets				
Trade Receivables	136.7	-	121.4	-
Bank Balance in EEFC account	69.3	-	102.5	-
	206.0	-	223.9	-

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 37: Financial risk management and Capital management (Contd...)

Liabilities				
Trade Payable	2,583.2	41.6	2,403.2	57.6
Other financial liabilities	19.3	-	50.4	-
	2,602.5	41.6	2,453.6	57.6
Derivative to hedge exposure				
Forward contracts (Buy)	1,673.0	-	1,595.7	-

Sensitivity - Foreign Currency

The sensitivity of profit or loss to changes in the exchange rates is as follows:

Rs. in million

	Increase / (decrease) in profit after tax or (Increase) / decrease in Loss after tax	
	March 31, 2024	March 31, 2023
USD Sensitivity		
Depreciation of Rs. against USD by 5% (March 31, 2023 - 5%)*	(27.1)	(23.7)
Appreciation of Rs. against USD by 5% (March 31, 2023 - 5%)*	27.1	23.7
JPY Sensitivity		
Depreciation of Rs. against JPY by 5% (March 31, 2023 - 5%)*	(1.6)	(2.2)
Appreciation of Rs. against JPY by 5% (March 31, 2023 - 5%)*	1.6	2.2

* Holding all other variables constant

Capital management

(a) Risk management

The Company considers the following components of its balance sheet to be managed as capital:

Total equity as shown in the balance sheet includes share capital, general reserve, retained earnings, capital reserve and securities premium.

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust its capital structure. The Company has sufficient unutilised unsecured credit facilities amounting to Rs. 5,824.1 million as at March 31, 2024 (March 31, 2023: Rs. 3,852.5 million) from its bankers to address any potential liquidity risk. The Company is not subject to financial covenants in any of its significant financing agreements.

The Board of directors monitors the return on capital as well as the level of dividends to shareholder and appropriate decision in the interest of the Company is taken by the Board of directors.

(b) Dividend

The Company has not paid dividend for the year ended March 31, 2024 and March 31, 2023. Further the Board of Directors did not recommend dividend subsequent to the year ended March 31, 2024.

Note 38: Related party disclosure (As per Ind AS -24)

I Relationship

A. Parties exercising control

Ultimate Parent

Johnson Controls International PLC, Ireland *

Immediate Parent

JCHAC India Holdco Limited, UK *

Intermediate Holding Companies

Tyco Fire & Security Finance S.C.A., Luxembourg *

Johnson Controls Reorganization Luxembourg SCS, Luxembourg *

Johnson Controls International Holdings Ltd., United Kingdom *

Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd., United Kingdom *

JCHAC Jersey Holding Limited, Jersey *

JCHAC UK HoldCo Limited, United Kingdom *

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 38: Related party disclosure (As per Ind AS -24) (Contd...)

B. Parties under common control (Fellow Subsidiaries)	Johnson Controls-Hitachi Components (Thailand) Co. Ltd.
	Johnson Controls Hitachi Air Conditioning Malaysia Sdn. Bhd.
	Johnson Controls India Private Limited
	Johnson Controls, Inc., USA
	Johnson Controls-Hitachi Air Conditioning Spain, S.A.U
	Johnson Controls-Hitachi Air Conditioning Wuhu Co. Ltd., China
	Johnson Controls Air Conditioning and Refrigeration, Inc (Dubai Branch) *
	Johnson Control International (L.L.C.), (UAE)
	Johnson Controls Hitachi Air Conditioning Europe Sas, France
	Johnson Controls-Hitachi Air Conditioning Singapore Pte. Ltd.
	Johnson Controls-Hitachi Air Conditioning North America LLC *
	Johnson Controls-Hitachi Wanbao Air Conditioning System (Shanghai) Co., Ltd.
	PT Johnson Controls Hitachi Air Conditioning Indonesia
	Johnson Controls-Hitachi Wanbao Air Conditioning Guangzhou Co. Ltd., China
	Johnson Controls-Hitachi Air Conditioning Trading (Hong Kong) Limited *
	Johnson Controls-Hitachi Air Conditioning Taiwan Co. Ltd.
	Johnson Controls-Hitachi Wanbao Compressor (Guangzhou) Co., Ltd, China *
	Hitachi Johnson Controls Air Conditioning Inc., Japan
	Johnson Controls Air Conditioning Supply (M) Sdn. Bhd., Malaysia
	C. Associate/Joint Venture in JC Group
	Qingdao Hisense Hitachi Air- Conditioning Systems Co. Ltd., China
D. Associates	Entities having significant influence over the Company
	Hitachi Limited, Japan *
	Hitachi Global Life Solution Inc.
	Subsidiaries of entities having significant influence over the Company
	Hitachi Hirel Power Electronics Private Limited, India
	Hitachi India Private Limited
	Hitachi Metals Singapore Pte Ltd. *
	Shizuoka Hitachi Co. Ltd., Japan *
	Hitachi Payment Services Private Limited, India
	Hitachi Astemo Chennai Private Limited (formerly known as Hitachi Automotive System (India) Private Limited), India
	Hitachi Astemo Gurugram Powertrain Systems Private Limited, India
	Hitachi Energy India Limited
	Tata Hitachi Construction Machinery Company Private Limited, India
	Hitachi Asia Ltd., Singapore *
E. Key Managerial Personnel	Mr. Sanjay Sudhakaran (Managing Director) (w.e.f July 01, 2023)
	Mr. Gurmeet Singh (Chairman and Managing Director) (upto June 30, 2023)
	Mr. Shinichi Iizuka (Non-executive non-independent Director) (upto May 26, 2022) *
	Mr. Yoshikazu Ishihara (Non-executive non-independent Director) *
	Mr. Tatsuya Sugawara (Non-executive non-independent Director) (from May 26, 2022 to June 30, 2023) *
	Mr. Nobuyuki Tao (Chairman and Non-executive Director) (w.e.f June 30, 2023) *
	Mr. Arpit Patel (Independent Director) (w.e.f October 01, 2023)
	Ms. Shalini Kamath (Independent Director) (w.e.f. April 01, 2022)
	Mr. Mukesh Patel (Independent Director) (upto March 31, 2024)
	Mr. Ashok Balwani (Independent Director) (upto March 31, 2024)
F. Post employment benefit plan of Johnson Controls-Hitachi Air Conditioning India Limited	Johnson Controls-Hitachi Air Conditioning India Limited Employees Gratuity Scheme (Trust) (Refer Note 35 for contribution made)

* No transactions during the current year.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 38: Related party disclosure (As per Ind AS -24) (Contd...)

The nature and volume of transaction carried out and balances with related parties in ordinary course of business are as follows:

Sr. No.	Transactions	Rs. in million											
		Parties Referred to A Above		Parties Referred to B Above		Parties Referred to C Above		Parties Referred to D Above		Parties Referred to E Above			
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
A	Transaction during the year												
1	Purchase of raw material												
	Highly Electrical Appliances India Private Limited	-	-	-	-	1,302.4	2,203.8	-	-	-	-	-	-
	Johnson Controls-Hitachi Components (Thailand) Co. Ltd.	-	-	0.5	449.9	-	-	-	-	-	-	-	-
	Johnson Controls Air Conditioning Supply (M) Sdn. Bhd., Malaysia	-	-	63.4	-	-	-	-	-	-	-	-	-
	Johnson Controls-Hitachi Air Conditioning Singapore Pte. Ltd.	-	-	39.5	-	-	-	-	-	-	-	-	-
	Hitachi Metals Singapore Pte Ltd	-	-	-	-	-	-	-	-	-	0.2	-	-
	Others	-	-	3.9	139.4	-	-	-	-	-	-	-	-
	Total	-	-	107.3	589.3	1,302.4	2,203.8	-	-	-	0.2	-	-
2	Purchase of stock-in-trade												
	Hitachi Johnson Controls Air Conditioning Inc., Japan	-	-	6.1	50.2	-	-	-	-	-	-	-	-
	Johnson Controls Hitachi Air Conditioning Malaysia Sdn. Bhd.	-	-	43.8	-	-	-	-	-	-	-	-	-
	Qingdao Hisense Hitachi Air- Conditioning Systems Co. Ltd., China	-	-	-	-	452.3	868.4	-	-	-	-	-	-
	Johnson Controls-Hitachi Wanbao Air Conditioning Guangzhou Co. Ltd., China	-	-	5.5	8.5	-	-	-	-	-	-	-	-
	Johnson Controls-Hitachi Wanbao Air Conditioning Guangzhou Co. Ltd., China	-	-	8.0	42.2	-	-	-	-	-	-	-	-
	Johnson Controls-Hitachi Air Conditioning Wuhu Co. Ltd., China	-	-	90.4	94.5	-	-	-	-	-	-	-	-
	Johnson Controls India Private Limited	-	-	37.7	-	-	-	-	-	-	-	-	-
	Others	-	-	13.6	14.9	-	-	-	-	-	-	-	-
	Total	-	-	205.1	210.3	452.3	868.4	-	-	-	-	-	-
3	Liabilities no longer required written back												
	Hitachi Payment Services Private Limited, India	-	-	-	-	-	-	-	-	-	0.1	-	-
	Others	-	-	-	0.1	-	-	-	-	-	-	-	-
	Total	-	-	-	0.1	-	-	-	-	-	0.1	-	-
4	Provision no longer required written back												
	Johnson Controls, Inc., USA	-	-	-	21.9	-	-	-	-	-	-	-	-
	Total	-	-	-	21.9	-	-	-	-	-	-	-	-

Notes forming part of the Financial Statements

for the year ended March 31, 2024

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Note 38: Related party disclosure (As per Ind AS -24) (Contd...)

Sr. No.	Transactions	Rs. in million																																																																																																																																																																																																
		Parties Referred to A Above		Parties Referred to B Above		Parties Referred to C Above		Parties Referred to D Above		Parties Referred to E Above																																																																																																																																																																																								
		For the year ended		For the year ended		For the year ended		For the year ended		For the year ended																																																																																																																																																																																								
March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023																																																																																																																																																																																							
5	Sale of products																																																																																																																																																																																																	
	Johnson Controls India Private Limited	-	-	63.2	0.1	-	-	-	-	-	-	-																																																																																																																																																																																						
	Johnson Controls Air Conditioning Supply (M) Sdn. Bhd., Malaysia	-	-	68.0	-	-	-	-	-	-	-	-																																																																																																																																																																																						
	Hitachi Astemo Chennai Private Limited (formerly known as Hitachi Automotive System (India) Private Limited), India	-	-	-	-	-	-	0.3	-	-	-	-																																																																																																																																																																																						
	Johnson Controls-Hitachi Air Conditioning Singapore Pte. Ltd.	-	-	70.3	224.2	-	-	-	-	-	-	-																																																																																																																																																																																						
	Johnson Controls-Hitachi Air Conditioning Trading (Hong Kong) Limited	-	-	-	75.3	-	-	-	-	-	-	-																																																																																																																																																																																						
	Highly Electrical Appliances India Private Limited	-	-	-	-	0.8	0.5	-	-	-	-	-																																																																																																																																																																																						
	Hitachi Payment Services Private Limited, India	-	-	-	-	-	-	0.3	13.9	-	-	-																																																																																																																																																																																						
	Hitachi Energy India Limited	-	-	-	-	-	-	1.0	1.3	-	-	-																																																																																																																																																																																						
	Johnson Controls Hitachi Air Conditioning Europe Sas, France	-	-	2.2	1.4	-	-	-	-	-	-	-																																																																																																																																																																																						
	Others	-	-	6.8	25.8	-	-	-	-	-	-	-		Total	-	-	210.5	326.7	0.8	0.5	1.6	15.2	-	-	-	6	Sale of services													Hitachi Johnson Controls Air Conditioning Inc., Japan	-	-	497.2	445.6	-	-	-	-	-	-	-		Hitachi Hirel Power Electronics Private Limited, India	-	-	-	-	-	-	1.3	1.2	-	-	-		Hitachi Astemo Chennai Private Limited (formerly known as Hitachi Automotive System (India) Private Limited), India	-	-	-	-	-	-	0.4	3.8	-	-	-		Hitachi India Pvt. Ltd.	-	-	-	-	-	-	0.2	-	-	-	-		Hitachi Astemo Gurugram Powertrain Systems Private Limited	-	-	-	-	-	-	0.1	0.6	-	-	-		Tata Hitachi Construction Machinery Company Private Limited, India	-	-	-	-	-	-	0.2	-	-	-	-		Others	-	-	0.2	0.1	-	-	-	-	-	-	-		Total	-	-	497.4	445.7	-	-	2.2	6.0	-	-	-	7	Other Income (Facility charges)													Johnson Controls India Private Limited	-	-	15.4	12.4	-	-	-	-	-	-	-		Hitachi Astemo Chennai Private Limited (formerly known as Hitachi Automotive System (India) Private Limited), India*	-	-	-	-	-	-	-	0.0	-	-	-		Total	-	-	15.4	12.4	-	-	-	0.0	-	-	-
	Total	-	-	210.5	326.7	0.8	0.5	1.6	15.2	-	-	-																																																																																																																																																																																						
6	Sale of services																																																																																																																																																																																																	
	Hitachi Johnson Controls Air Conditioning Inc., Japan	-	-	497.2	445.6	-	-	-	-	-	-	-																																																																																																																																																																																						
	Hitachi Hirel Power Electronics Private Limited, India	-	-	-	-	-	-	1.3	1.2	-	-	-																																																																																																																																																																																						
	Hitachi Astemo Chennai Private Limited (formerly known as Hitachi Automotive System (India) Private Limited), India	-	-	-	-	-	-	0.4	3.8	-	-	-																																																																																																																																																																																						
	Hitachi India Pvt. Ltd.	-	-	-	-	-	-	0.2	-	-	-	-																																																																																																																																																																																						
	Hitachi Astemo Gurugram Powertrain Systems Private Limited	-	-	-	-	-	-	0.1	0.6	-	-	-																																																																																																																																																																																						
	Tata Hitachi Construction Machinery Company Private Limited, India	-	-	-	-	-	-	0.2	-	-	-	-																																																																																																																																																																																						
	Others	-	-	0.2	0.1	-	-	-	-	-	-	-		Total	-	-	497.4	445.7	-	-	2.2	6.0	-	-	-	7	Other Income (Facility charges)													Johnson Controls India Private Limited	-	-	15.4	12.4	-	-	-	-	-	-	-		Hitachi Astemo Chennai Private Limited (formerly known as Hitachi Automotive System (India) Private Limited), India*	-	-	-	-	-	-	-	0.0	-	-	-		Total	-	-	15.4	12.4	-	-	-	0.0	-	-	-																																																																																																																					
	Total	-	-	497.4	445.7	-	-	2.2	6.0	-	-	-																																																																																																																																																																																						
7	Other Income (Facility charges)																																																																																																																																																																																																	
	Johnson Controls India Private Limited	-	-	15.4	12.4	-	-	-	-	-	-	-																																																																																																																																																																																						
	Hitachi Astemo Chennai Private Limited (formerly known as Hitachi Automotive System (India) Private Limited), India*	-	-	-	-	-	-	-	0.0	-	-	-		Total	-	-	15.4	12.4	-	-	-	0.0	-	-	-																																																																																																																																																																									
	Total	-	-	15.4	12.4	-	-	-	0.0	-	-	-																																																																																																																																																																																						

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 38: Related party disclosure (As per Ind AS -24) (Contd...)

Sr. No.	Transactions	Rs. in million											
		Parties Referred to A Above		Parties Referred to B Above		Parties Referred to C Above		Parties Referred to D Above		Parties Referred to E Above			
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023		
8	Advertisement, Salary & Other Expense recovery												
	Hitachi Johnson Controls Air Conditioning Inc., Japan	-	-	85.4	83.3	-	-	-	-	-	-	-	-
	Johnson Controls-Hitachi Air Conditioning Singapore Pte. Ltd.	-	-	19.7	12.6	-	-	-	-	-	-	-	-
	Others	-	-	5.0	1.6	-	-	-	-	-	-	-	-
	Total	-	-	110.1	97.5	-	-	-	-	-	-	-	-
9	Key management personnel compensation												
	Mr. Gurmeet Singh												
	- Short term employee benefits	-	-	-	-	-	-	-	-	-	-	4.6	30.2
	- Post employment benefits	-	-	-	-	-	-	-	-	-	-	0.3	2.7
	Mr. Sanjay Sudhakaran												
	- Short term employee benefits	-	-	-	-	-	-	-	-	-	-	24.4	-
	- Post employment benefits	-	-	-	-	-	-	-	-	-	-	1.4	-
	- Long term employment benefits	-	-	-	-	-	-	-	-	-	-	0.9	-
	Directors sitting fees												
	Mr. Arpit Patel	-	-	-	-	-	-	-	-	-	-	0.5	-
	Mr. Ashok Balwani	-	-	-	-	-	-	-	-	-	-	1.2	1.0
	Mr. Mukesh Patel	-	-	-	-	-	-	-	-	-	-	1.3	1.1
	Ms. Shalini Kamath	-	-	-	-	-	-	-	-	-	-	1.1	0.9
	Total	-	-	-	-	-	-	-	-	-	-	35.7	35.9
10	Royalty												
	Hitachi Johnson Controls Air Conditioning Inc., Japan	-	-	129.5	164.6	-	-	-	-	-	-	-	-
	Hitachi Global Life Solution Inc.	-	-	-	-	-	-	171.8	209.6	-	-	-	-
	Total	-	-	129.5	164.6	-	-	171.8	209.6	-	-	-	-
11	Purchase of capital goods												
	Hitachi Johnson Controls Air Conditioning Inc., Japan	-	-	-	1.7	-	-	-	-	-	-	-	-
	Johnson Controls India Private Limited	-	-	-	0.8	-	-	-	-	-	-	-	-
	Shizuoka Hitachi Co. Ltd., Japan	-	-	-	-	-	-	-	-	-	-	11.9	-
	Total	-	-	-	2.5	-	-	-	-	-	-	11.9	-
12	Reimbursement of salaries & other expenses												
	Hitachi Johnson Controls Air Conditioning Inc., Japan	-	-	-	27.0	-	-	-	-	-	-	-	-
	Johnson Controls, Inc., USA	-	-	32.4	90.4	-	-	-	-	-	-	-	-
	Hitachi Global Life Solution Inc.	-	-	-	-	-	-	-	-	-	-	2.6	-
	Others	-	-	1.2	7.7	-	-	-	-	-	-	-	-
	Total	-	-	33.6	125.1	-	-	-	-	-	-	2.6	-
13	Professional Charges (Shared Service Cost)												
	Johnson Controls India Private Limited	-	-	84.6	-	-	-	-	-	-	-	-	-
	Total	-	-	84.6	-	-	-	-	-	-	-	-	-

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Notes:

- (i) There are no allowances on account for impaired receivables in relation to any outstanding balances, and no expense have been recognised in respect of impaired receivables due from related parties.
- (ii) Key management personnel compensation does not include premium paid for group health insurance, as separate premium paid is not available.
- (iii) Remuneration paid during the year to Mr. Gurmeet Singh and Mr. Sanjay Sudhakaran is in accordance with the special resolution approved at Shareholders' meeting on September 14, 2023 as per requirements of Section 197 read with Schedule V.
- (iv) The transactions with related parties have prior approval of the Audit Committee and Shareholders, where applicable, in accordance with the applicable regulations/Act.

III. Terms and Conditions

All transactions were made on normal commercial terms and condition.

All outstanding balances are unsecured and will be settled in cash.

Note 39: Segment Reporting

A. Description

Operating segments are reported in a manner consistent with the internal reporting provided to the Managing Director (MD) of the Company who is identified as the chief operating decision maker (CODM). The MD assesses the financial performance and position of the Company, and makes strategic decisions.

The Company is engaged in the business of manufacturing, selling and trading of 'Hitachi' brand of Air conditioners, refrigerators, chillers and VRF (variable refrigerant flow) systems and providing design and development service to Group Company. Accordingly, the Chief Operating Decision Maker (CODM) have identified that the Company's business falls within two business which are as follows:

Reportable Segments	Operations
Cooling Products for comfort and commercial use	Providing Cooling products for comfort and commercial use in India and outside India and related services.
Design and development services	Design and development services relates to Air Conditioning for group companies outside India and to the Company's other segment- Cooling Product for comfort and commercial use.

The Company's chief operating decision maker (CODM), Managing Director (MD) reviews internal management report of each segment at least monthly.

B. Information about reportable segment

Information related to each reportable segment is set out below. Segment Earnings before Interest and Tax (EBIT) and profit before tax, as included in internal management reports reviewed by the CODM, is used to measure performance because management believes that such information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

	2023-24			2022-23		
	Cooling products for comfort and commercial use	Design and development Services	Total	Cooling products for comfort and commercial use	Design and development Services	Total
Segment Revenue						
External Sales	18,689.8	783.1	19,472.9	23,398.8	721.6	24,120.4
Less : Inter - Segment Sales	-	285.9	285.9	-	276.0	276.0
Total Revenue from operations	18,689.8	497.2	19,187.0	23,398.8	445.6	23,844.4
Segment Results						
(Loss) / Earnings before Interest and Tax and Exceptional items	(654.8)	99.6	(555.2)	(907.7)	86.7	(821.0)
Less: Exceptional items	268.4	-	268.4	155.6	-	155.6
Less: Interest expense	166.4	-	166.4	75.3	-	75.3
(Loss) / Profit before tax	(1,089.6)	99.6	(990.0)	(1,138.6)	86.7	(1,051.9)

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 39: Segment Reporting (Contd...)

Segment Assets	14,194.8	1,117.1	15,311.9	15,748.1	1,304.6	17,052.7
Unallocated corporate assets	-	-	1,260.3	-	-	833.2
Total Segment assets	14,194.8	1,117.1	16,572.2	15,748.1	1,304.6	17,885.9
Segment Liabilities	10,662.8	78.2	10,741.0	11,149.2	143.5	11,292.7
Unallocated corporate liabilities	-	-	1.5	-	-	1.5
Total Segment Liabilities	10,662.8	78.2	10,742.5	11,149.2	143.5	11,294.2

C. Geographic information

The Cooling products for comfort and commercial use and Design and development services are sold / provided to customer in India and outside India. The manufacturing facilities and sales offices are primarily located in India.

In presenting the following information, segment revenue is based on the geographic location of customers.

	Rs. in million					
	2023-24			2022-23		
	Cooling products for comfort and commercial use	Design and development Services	Total	Cooling products for comfort and commercial use	Design and development Services	Total
Segment revenue						
India	18,125.0	285.9	18,410.9	22,628.6	276.0	22,904.6
Outside India	564.8	497.2	1,062.0	770.2	445.6	1,215.8
Total	18,689.8	783.1	19,472.9	23,398.8	721.6	24,120.4
Less: Inter Segment Revenue	-	(285.9)	(285.9)	-	(276.0)	(276.0)
Total segment revenue from operations	18,689.8	497.2	19,187.0	23,398.8	445.6	23,844.4

D. Non-current segment asset

	Rs. in million	
	2023-24	2022-23
India	4,065.8	4,294.0
Outside India	-	-
Total Non-current Segment assets	4,065.8	4,294.0

E. The Company does not have any customer contributing 10 percent or more of total revenue.

Note 40: Revenue from contracts with customers

Reconciliation of revenue recognised with contract price:

	Rs. in million	
	Year ended March 31, 2024	Year ended March 31, 2023
Contract Price	20,281.7	25,190.5
Adjustment for:		
Incentives and performance bonus	(1,094.7)	(1,346.1)
Revenue recognised	19,187.0	23,844.4

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 40: Revenue from contracts with customers (Contd...)

In the following table, revenue is disaggregated into major products/service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's two strategic divisions, which are its reportable segments.

	Rs. in million					
	2023-24			2022-23		
	Cooling products for comfort and commercial use	Design and development Services	Total	Cooling products for comfort and commercial use	Design and development Services	Total
Major Products /service lines						
Room air conditioners	12,881.4	-	12,881.4	16,077.6	-	16,077.6
Commercial air conditioners	3,736.4	-	3,736.4	4,315.8	-	4,315.8
Home appliances	50.9	-	50.9	387.4	-	387.4
Service Income	909.8	497.2	1,407.0	866.9	445.6	1,312.5
Others	1,111.3	-	1,111.3	1,751.1	-	1,751.1
Total	18,689.8	497.2	19,187.0	23,398.8	445.6	23,844.4
Timing of revenue recognition						
Goods / Services Transferred at a point of time	18,018.5	-	18,018.5	22,722.8	-	22,722.8
Service transferred over time	671.3	497.2	1,168.5	676.0	445.6	1,121.6
	18,689.8	497.2	19,187.0	23,398.8	445.6	23,844.4

Information about Contract assets and Contract Liabilities

	Rs. in million	
	Contract assets	Contract liabilities
As at March 31, 2022	28.7	274.7
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	243.5
Increases due to cash received, excluding amounts recognised as revenue during the period	-	393.8
Transfers from contract assets recognised at the beginning of the period to receivables	5.0	-
Increases as a result of changes in the measure of progress	19.5	-
As at March 31, 2023	43.2	425.0
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	396.2
Increases due to cash received, excluding amounts recognised as revenue during the period	-	469.2
Transfers from contract assets recognised at the beginning of the period to receivables	13.3	-
Increases as a result of changes in the measure of progress	19.6	-
As at March 31, 2024	49.5	498.0

Unsatisfied performance obligation

	Rs. in million	
	As at March 31, 2024	As at March 31, 2023
Aggregate amount of the transaction price allocated to construction contracts that are partially unsatisfied as at reporting date	416.8	40.7
Revenue recognised from performance obligation unsatisfied in previous period	14.9	10.6

Management expects that 100% of transaction price allocated to the unsatisfied contracts as on March 31, 2024 will be recognised as revenue during the next reporting period 2024-25.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 41: Exceptional Items

		Rs. in million	
		As at March 31, 2024	As at March 31, 2023
(i)	Insurance claim receivable/received [Note (1) below]	-	(15.6)
(ii)	Termination benefits [Note (2) below]	268.4	171.2
Total		268.4	155.6

Notes:

- During the year ended March 31, 2022, there was a fire at one of the Company's warehouse and due to this, loss of inventory amounting to Rs. 7.4 million (net of estimated insurance claim receivable) was recognized. Based on the final assessment by Surveyor, an amount of Rs. 15.6 million towards recovery of insurance claim was recognized as income for the year ended March 31, 2023.
- Represents termination benefits paid/ payable to employees/workers pursuant to realignment/ reorganisation / voluntary retirement scheme.

Note 42: Additional regulatory information

(a) Analytical ratios:

Sr. No.	Ratio	Numerator	Denominator	Refer footnote	As at March 31, 2024	As at March 31, 2023	% Variance	Reason for Variance*
1	Current Ratio	Current Assets	Current Liabilities		1.2	1.3	-7%	NA
2	Debt-Equity Ratio	Total Debt	Total Equity	I	0.1	0.3	-72%	The variance is primarily on account of decrease in current borrowings by Rs. 1,430 million during the year ended March 31, 2024.
3	Debt Service Coverage Ratio	Earnings available for debt service	Total Debt Service Costs	II	(0.66)	(0.73)	-10%	NA
4	Return on Equity (ROE)(%)	Net Profits after taxes	Average total Equity		-12.2%	-11.7%	4%	NA
5	Inventory Turnover Ratio	Cost of goods sold	Average Inventory	III	2.3	2.7	-13%	NA
6	Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	IV	6.6	8.1	-18%	NA
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	V	3.7	3.4	9%	NA
8	Net capital turnover ratio	Net Sales	Working Capital		9.9	8.1	22%	NA
9	Net profit ratio(%)	Net Profits after taxes	Total Income		-3.9%	-3.4%	15%	NA
10	Return on capital employed (ROCE)(%)	Earning before interest and taxes	Capital Employed	VI	-14.6%	-12.1%	21%	NA
11	Return on investments(%)	Interest and rent income(net)	Average investment	VII	6.20%	3.7%	68%	The variance is primarily on account of increase in interest rates in respect of deposits placed with bank during the year ended March 31, 2024.

*As per Para 6(L)(xiv) of the General Instructions for Preparation of the Balance Sheet under Division II of the Schedule III of the Act, the Company is required to provide explanation for changes in the ratio by more than 25% as compared to the preceding year.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note:

- I Total Debt = Borrowings + Lease liabilities
- II Earnings available for debt service = (Loss)/Profit for the year adjusted by Deferred tax charge/(credit), Depreciation and amortisation expense, Finance costs and Loss on sale of property, plant and equipment (net)
- III Total Debt Service Costs = Principal Payment of lease liabilities + Interest paid on lease liabilities + Payment of finance cost
- IV Average Inventory = Average of closing inventory at end of each quarter.
- V Average Accounts Receivable = Average of accounts receivable at end of each quarter.
- VI Average Trade Payables = Average of trade payables at end of each quarter.
- VII Capital Employed = Total Equity + Total debt + Lease liabilities - Deferred Tax Assets
- VIII Average investment = Weighted Average of Investments in fixed deposits during the year + Average carrying value of Investment Properties

(b) Details of crypto currency or virtual currency

The Company has not invested or traded in Crypto Currency or Virtual Currency during the year ended March 31, 2024 and March 31, 2023.

(c) Compliance with approved scheme of arrangements

The Company has not entered into any scheme of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.

(d) Undisclosed income

During the year ended March 31, 2024 and March 31, 2023, the Company has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(e) Loans or advances to specified persons

The Company has not granted any loans or advances in nature of loans to promoters/directors/KMPs/Related parties (as defined under the Companies Act, 2013) for the year ended March 31, 2024 and March 31, 2023.

(f) Compliance with numbers of layers of companies

The Company does not have investments in any company during the year ended March 31, 2024 and March 31, 2023.

(g) Utilisation of borrowed funds and share premium

During the year ended March 31, 2024 and March 31, 2023, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

During the year ended March 31, 2024 and March 31, 2023, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- ii) provide any guarantee, security, or the like on behalf of the ultimate beneficiaries.

(h) Relationship with struck off companies

Except as disclosed below, the Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 42: Additional regulatory information (Contd...)

During the year ended March 31, 2024

Sr No.	Name of the struck off Company	Nature of the transaction with struck off Company	Balance outstanding as at March 31, 2024 Receivable/ (Payable)	Relationship with struck off Company, if any, to be disclosed	Balance outstanding as at March 31, 2022 Receivable/ (Payable)	Relationship with Struck off Company, if any, to be disclosed
1	Varunaire Engineers Pvt Ltd.* (CIN: U29191DL1991PTC042932)	Trade Receivables	0.0	NA, not a related party' under section 2(76) of the Companies Act, 2013	-	NA, not a related party under section 2(76) of the Companies Act, 2013

* Amounts to Rs. 5,847 as at March 31, 2024.

During the year ended March 31, 2023

Sr No.	Name of the struck off Company	Nature of the transaction with struck off Company	Balance outstanding as at March 31, 2023 Receivable/ (Payable)	Relationship with struck off Company, if any, to be disclosed	Balance outstanding as at March 31, 2022 Receivable/ (Payable)	Relationship with Struck off Company, if any, to be disclosed
1	Mantra Impex Pvt Ltd (CIN: U80902TG2004PTC045027)	Advance from customer	(0.1)	NA, not a related party' under section 2(76) of the Companies Act, 2013	(0.1)	NA, not a related party' under section 2(76) of the Companies Act, 2013
2	Four Core Engineering Pvt Ltd (CIN: U31401TN2009PTC072594)	Trade Receivables	0.1	NA, not a related party' under section 2(76) of the Companies Act, 2013	0.1	NA, not a related party' under section 2(76) of the Companies Act, 2013
3	Varunaire Engineers Pvt Ltd** (CIN: U29191DL1991PTC042932)	Advance from customer	(0.0)	NA, not a related party' under section 2(76) of the Companies Act, 2013	(0.0)	NA, not a related party' under section 2(76) of the Companies Act, 2013
4	Genin Pharmaceutical Pvt Ltd (CIN: U51397DL2013PTC252063)	Trade Receivables	-	NA, not a related party' under section 2(76) of the Companies Act, 2013	-	NA, not a related party' under section 2(76) of the Companies Act, 2013

** Amounts to Rs. 370 at March 31, 2023 and Rs. 1,661 at March 31, 2022.

Note 43: Earnings per share

	As at March 31, 2024	As at March 31, 2023
Net (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in million)	(757.1)	(821.4)
Weighted average number of Equity shares outstanding during the financial year (Nos.)	2,71,90,884	2,71,90,884
Nominal face value of an Equity share (in Rs.)	10.0	10.0
Basic and diluted Loss per share (in Rs.)	(27.8)	(30.2)

Note: The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 44: Other notes

(a) Disclosures pursuant to Section 186(4) of the Companies Act, 2013

		Rs. in million	
	Purpose	As at March 31, 2024	As at March 31, 2023
Corporate guarantees given to bank against the credit facilities availed by dealers	To partially address dealers working capital requirement	75.0	75.0

(b) Backup of books of accounts

The backup of books of account and other books and papers maintained in electronic mode in respect of two applications wherein in respect of one application, back up has not been maintained on servers physically located in India for the period March 08, 2024 to March 31, 2024 and in respect of the other application, it has not been maintained on a daily basis on servers physically located in India during the year. The Company has started back up of one of the applications on servers located in India with effect from May 22, 2024 and is evaluating necessary action in respect of another application.

(c) Audit trail in the books of accounts

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained for modification to certain financially relevant tables throughout the year. The Company is evaluating necessary actions to address the requirement.

Note 45: Summary of other accounting policies

This note provides a list of other accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

b. Property, Plant and Equipment:

Historical cost includes expenditure that is directly attributable to the acquisition of items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent cost relating to day-to-day servicing of the item are not recognised in the carrying amount of an item of property, plant and equipment; rather these costs are charged to Statement of Profit and Loss when they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

All expenditure incurred towards property, plant and equipment are accumulated and shown as capital work in progress and not depreciated until such assets are ready for commercial use.

Entity-specific details about the Company's policy are provided in note 3.

c. Intangible Asset:

The Estimated useful life and amortization method are reviewed at the end of each reporting period and the effect of any changes in such estimate is accounted for on prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from the use or disposal. Gains or losses arising from the derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when asset is derecognised.

Intangible assets under development consists of expenditure towards assets which are not yet operational as on balance sheet date.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale.
- There is an intention to complete the asset

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 45: Summary of other accounting policies (Contd...)

- There is an ability to use or sell the asset
- The asset will generate future economic benefits
- Adequate resources are available to complete the development and to use or sell the asset
- The expenditure attributable to the intangible asset during development can be measured reliably.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use and it is amortised on straight line basis over the estimated useful life.

Entity-specific details about the Company's policy are provided in note 7.

d. Impairment of assets:

Property, plant and equipment, Right of use assets and intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognised immediately in profit or loss.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets, other than goodwill, if any, that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

e. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

f. Cash and Cash Equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, balances with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g. Inventories

The cost of raw materials, stores and spares and stock in trade comprises purchase costs and all costs incurred in bringing the inventory to their present location and condition. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be utilised are expected to be sold at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale.

Custom duty on goods where title has passed to the Company and material has reached Indian ports is included in the value of inventories.

Provision for inventory obsolescence is made considering various factors such as nature of inventory, technical obsolescence, ageing, liquidation plan, etc.

Entity-specific details about the Company's policy are provided in note 12.

h. Foreign currency transactions and translations

(i) Functional and presentation currency

Items included in financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Indian Rupees (Rs.), which is the entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 45: Summary of other accounting policies (Contd...)

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

i. Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

j. Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Long-term employee benefit obligations

Liabilities for compensated absences that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans: Gratuity
- (b) defined contribution plans: Provident fund and Employees' state insurance scheme.

Defined Benefit Plans

The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by an actuary using projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximately to the terms of the related obligations.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. This cost is included in the employee benefit expense in the Statement of Profit and Loss.

Remeasurements, comprising actuarial gains and losses and the effect of the changes to the asset ceiling (if applicable), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and consequently recognised in retained earnings and is not reclassified to profit or loss.

The defined benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Defined contribution plans

Contributions to retirement benefit plans in the form of Provident fund and Employees' state insurance scheme as per regulation are charged as an expense on an accrual basis when employees have rendered the service. The Company has no further payment obligation once the contributions have been paid.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 45: Summary of other accounting policies (Contd...)

the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

k. Current and Deferred Tax:

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Entity-specific details about the Company's policy are provided in note 31.

l. Trade and other payable

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid according to the agreed credit period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

m. Borrowings

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/ (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agrees, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

n. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

o. Earnings Per Share

Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the company, by the weighted average number of equity shares outstanding during the financial year.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 45: Summary of other accounting policies (Contd...)

Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

p. Provisions and contingent assets

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Entity-specific details about the Company's policy are provided in note 34.

Contingent Asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

q. Leases:

As a Lessee:

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the Company, if any, under residual value guarantees

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of use assets

Right-of-use assets are measured at cost comprising the following:

- amount of the initial measurement of lease liability
- lease payments made before the commencement date
- any initial direct costs
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Entity-specific details about the Company's leasing policy are provided in note 4.

As a Lessor:

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless a systematic basis more representative of the pattern in which benefit from the use of the underlying asset is diminished is suitable. The respective leased assets are included in the balance sheet based on their nature. Initial direct costs incurred in negotiating and managing an operating lease are added to the cost of the leased asset and recognized as an expense over the term on the same basis as the lease income.

r. Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

(i) Financial Assets

Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through Profit or Loss), and
- Those measured at amortised cost.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 45: Summary of other accounting policies (Contd...)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of cash flows.

Initial Recognition and Measurement:

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent Measurement

After initial recognition, financial assets are measured at:

- fair value (either through Other Comprehensive Income or through Profit and Loss), or
- amortized cost

Debt instruments

Debt instruments are subsequently measured at amortized cost, fair value through Other Comprehensive Income ('FVOCI') or fair value through Profit and Loss ('FVTPL') till de-recognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through Other Comprehensive Income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through Other Comprehensive Income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

Fair Value through Profit or Loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Profit or Loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Impairment of financial assets:

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, and bank balance
- trade receivables

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Derecognition of financial assets

A financial asset is derecognized only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows from the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Notes forming part of the Financial Statements

for the year ended March 31, 2024

Note 45: Summary of other accounting policies (Contd...)

Income recognition

Interest income:

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

(ii) Financial Liabilities

Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit and loss, transaction costs that are directly attributable to the issue of the financial liability.

Subsequent Measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of Profit and Loss. Any gain or loss on derecognition is also recognized in Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(iii) Derivative financial instruments:

The Company uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company enters into derivative contracts to hedge risks and are not designated in any hedging relationship i.e. hedge accounting is not followed. Such contracts are accounted for at FVTPL.

Note 46: Events occurring after reporting period

The Company evaluated subsequent events through May 23, 2024, the date the financial statements were available for issuance, and determined that there were no additional material subsequent events requiring disclosure.

The accompanying Notes form an integral part of the Financial Statements.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No. 304026E/E300009

Devang Mehta

Partner

Membership No.: 118785

Place: Kadi

Date: May 23, 2024

For and on behalf of the Board of Directors

Nobuyuki Tao

Chairman

DIN : 08080705

Place: Kadi

Rishi Mehta

Chief Financial Officer

Place: Kadi

Date: May 23, 2024

Sanjay Sudhakaran

Managing Director

DIN: 00212610

Place: Mumbai

Parag Dave

Company Secretary

Membership No.: 12626

Place: Kadi

Date: May 23, 2024

Johnson Controls-Hitachi Air Conditioning India Limited

HEAD OFFICE AND WORKS

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

Email: sales@jci-hitachi.com

Website: www.hitachiaircon.com/in



Dial-a-Care

Call: 079-7141-4848 (L), 756-788-4848 (M)

E-mail: customercare@jci-hitachi.com

Whatsapp: +91 75678 84848

REGISTERED OFFICE

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

Telephone No.: +91-79-2640 2024

CIN No.: L29300GJ1984PLC007470



Air Conditioners and refrigerators are e-waste products and should be segregated for environmental-friendly recycling. Do not mix it with general household waste at the end of its useful life. For more details, kindly visit our website or contact Hitachi Dial-a-Care.

Join us at:



<https://www.facebook.com/HitachiHomes/>



<https://twitter.com/HitachiHomes>



<https://www.youtube.com/c/HitachiCoolingHeatingIndia>



<https://www.linkedin.com/company/johnson-controls-hitachi-air-conditioning>



Live Chat at www.hitachiaircon.com/in



Hitachi India Customer Care



ANDROID APP ON
Google play



Available on the
App Store



Customer Care 756788-4848



GO GREEN. We can do more together. Partner us in Ministry of Corporate Affairs ("MCA") "Green Initiative in the Corporate Governance" by choosing not to receive notices / reports / documents in paper form. When you register to get annual reports and other communications through email instead of paper mode, you SAVE A TREE. For registering your e-mail ID please drop a mail to us at parag.dave@jci-hitachi.com containing your Folio No. / CLID-DPID.

Johnson Controls-Hitachi Air Conditioning India Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 39th Annual General Meeting of the members of the Johnson Controls-Hitachi Air Conditioning India Limited will be held on Thursday, 19th September, 2024 at 10.00 a.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2024 and the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Nobuyuki Tao (DIN 08080705), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder and any amendment of such provisions from time to time, M/s. Kiran J Mehta & Co. (FRN -

000025), Cost Accountants, appointed by the Board of Directors of the Company to conduct the Audit of Cost records of the Company for the financial year from 1st April, 2024 to 31st March, 2025, be paid a remuneration of Rs. 1,50,000/- (Rupees One Lac Fifty Thousand Only) plus GST and reimbursement of actual travel and out-of-pocket expenses."

4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Mr. Anil Shankar (DIN 02143156) having consented to act as a Director and having submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, be appointed as an Independent Non-Executive Director of the Company for a period from 30th July, 2024, to 30th September, 2027."

By Order of the Board of Directors

Place: Karan Nagar, Kadi
Date: 30th July, 2024

Johnson Controls-Hitachi Air Conditioning India Limited
Corporate Identification Number (CIN): L29300GJ1984PLC007470
Regd. Office: 9th Floor, Abhijeet-1, Mithakhali Six Roads, Ahmedabad: 380006
Phone: 079-26402024 E-mail: parag.dave@jci-hitachi.com, Website: <https://www.hitachiaircon.in/>

Parag Dave
Company Secretary

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Resolution no. 2 to 4 to be transacted at the Meeting is annexed hereto.
2. Members are requested to notify promptly any change in their address to the Company's Registrars and Share Transfer Agent, **Link Intime India Pvt. Limited (RTA) at its present address at 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad 380006, Gujarat, India.** The members are also requested to send all correspondence relating to Shares, including transfers and transmissions to the Registrars and Share Transfer Agent.
3. **Members who have not yet submitted KYC details with RTA are requested to,**
 - **submit KYC;**
 - **register Mail ID;**
 - **provide Bank details.**
4. All members who have not encashed their dividend warrants for the financial years 2016-17, 2017-18 and 2018-19 are requested

to write to the Company's Registrars and Share Transfer Agent, for issuance of duplicate dividend warrant(s).

5. Dividend pertaining to financial years 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 have already been transferred to Investors Education and Protection Fund. Shares of those shareholders whose Dividend was unpaid for last 7 years, have been transferred to Investors Educations and Protection Fund.
6. The facility for making nominations is available for members in respect of the shares held by them. Nomination form can be obtained from the Company's Registrars and Share Transfer Agent.
7. Electronic copy of the Annual Report for the year 2023-24, Notice of the Annual General Meeting of the Company are being sent to all the members whose email IDs are registered with the Company / Depository Participant for communication purposes.

The shares of the Company have been listed at BSE Limited and National Stock Exchange of India Limited and Company has paid Listing Fees to the said Stock Exchanges for the year 2024-25.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND (PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

2

Item No. 2:

Pursuant to Section 152(6)(c) of the Companies Act, 2013, Mr. Nobuyuki Tao is liable to retire by rotation at this Annual General Meeting and being eligible offers, himself for re-appointment.

Brief profile of Mr. Nobuyuki Tao

Mr. Nobuyuki Tao has done Bachelor of Science (General Business) (1987 to 1993) and Master of Business Administration (Finance) (1993 to 1995) from Brigham Young University, Provo, Utah USA.

Mr. Nobuyuki Tao, CFO of Johnson Controls-Hitachi, Japan, is having more than 28 years of experience in various finance roles. In his past assignments, he has worked with Adient GK, Autoliv Electronics, Mitsubishi FusoTruck & Bus Corp, Visteon, Ford Motor ASEAN Operation in various positions viz. Vice President-Finance, Global Director Finance, General Manager Finance, Business / Finance Planner and Financial Analyst.

There is no inter-se relation of Mr. Nobuyuki Tao with any other Director of the Company.

Directorship / Membership of Committee of the Board held in other public limited companies in India: None.

No. of Shares held in the Company: Nil.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

Considering above, the Board recommends the resolution for approval of the members.

Item No. 3

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, on recommendation of Audit Committee, the Board has considered and approved appointment of M/s. Kiran J Mehta & Co. (FRN - 000025), Cost Accountants, as Cost Auditors to conduct Audit of Cost records of the Company for the financial year from 1st April, 2024 to 31st March, 2025 at a remuneration of Rs. 1,50,000/- (Rupees One Lac Fifty Thousand Only) plus GST and reimbursement of actual travel and out-of-pocket expenses.

Such remuneration has to be ratified by the Shareholders of the Company. Therefore, consent of the Members is sought for passing a resolution for ratification of the Remuneration payable to Cost Auditors for the financial year from 1st April, 2024 to 31st March, 2025.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

Considering above, the Board recommends the resolution for approval of the members.

Item no. 4

Pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013, and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, at its meeting held on 30th July, 2024, appointed Mr. Anil Shankar as an Independent Director for a period from 30th July, 2024 to 30th September, 2027. The Company has received a declaration from Mr. Anil Shankar confirming that he meets the criteria of independence

under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Mr. Anil Shankar's consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Brief profile of Mr. Anil Shankar

Mr. Anil Shankar, aged 70 years, is a Chartered Accountant and MBA in Finance & International Business from Bowling Green State University, Ohio, USA. He is having extensive experience of 30+ years in General Management and Financial Management with leading MNCs including Siemens, Motorola, Boston Scientific and Goodyear. He also served as an Independent Director of INEOS Styrolution India Limited.

His corporate experience spans across sectors like Operational and Strategic Financial Management, Commercial including Supply Chain

Management, HR, IT, Taxation and Legal in diverse industries – FMCG, Automotive, Telecom, Healthcare and Speciality Chemicals.

He secured 6th Rank in the All India Merit List for the Final Examinations of the Institute of Chartered Accountants of India.

There is no inter-se relation of Mr. Anil Shankar with any other Director of the Company.

Directorship / Membership of Committee of the Board held in other public limited companies in India: Nil

No. of Shares held in the Company: Nil.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

Considering above, the Board recommends the resolution for approval of the members.

By Order of the Board of Directors

Parag Dave
Company Secretary

Place: Karan Nagar, Kadi, Gujarat
Date: 30th July, 2024

Johnson Controls-Hitachi Air Conditioning India Limited
Corporate Identification Number (CIN): L29300GJ1984PLC007470
Regd. Office: 9th Floor, Abhijeet-1, Mithakhali Six Roads, Ahmedabad: 380006
Phone: 079-26402024 E-mail: parag.dave@jci-hitachi.com, Website: <https://www.hitachiaircon.in/>

CDSL e-Voting System – For e-voting and Joining Virtual meetings.

1. The General Meeting of the Company is being conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/

- OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at <https://buy.hitachiaircon.in/content/investors>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation to this Ministry's General Circular No. 20/2020 dated 05.05.2020, General Circular No. 02/2022 dated 05.05.2022 and General Circular No. 10/2022 dated 28.12.2022 and after due examination, it has been decided to allow companies whose AGMs are due in the Year 2023 or 2024, to conduct their AGMs through VC or OAVM on or before 30th September, 2024 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05.05.2020.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

1. The voting period begins on 16th September, 2024 at (9.00 am IST) and ends on 18th September, 2024 (5.00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 12th September, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

3. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

4. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number you hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

5. Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
 - 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.

- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
DIVIDEND BANK DETAILS	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
OR DATE OF BIRTH (DOB)	<ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

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6. After entering these details appropriately, click on "SUBMIT" tab.
7. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
8. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
9. Click on the EVSN for the relevant 'Johnson Controls-Hitachi Air Conditioning India Limited' on which you choose to vote.
10. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
11. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
12. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
13. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
14. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
15. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
16. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- 17. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; tejalshah.associates@gmail.com and parag.dave@jci-hitachi.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/ folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id).
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders - Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.