

**Independent Auditor’s Report on the Quarterly and Year to Date Audited Financial Results of Frick India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

To  
The Board of Directors of Frick India Limited

**Opinion**

1. We have audited the accompanying Statement of Financial Results of Frick India Limited (‘the Company’) for the quarter and year ended March 31, 2020 (“the statement”) attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”). In our opinion and to the best of our information and according to the explanations given to us, the statement:
  - a) is presented in accordance with the requirements of the Listing Regulations in this regard; and
  - b) gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India of the net profit, other comprehensive income and other financial information of the Company for the quarter and year ended 31<sup>st</sup> March, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended (“the Act”). Our responsibilities under those Standards are further described in the “Auditors’ Responsibilities for the Audit of the Financial Results” section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

Attention is drawn to:

- i) Note no. 5 regarding COVID-19 related lock-down/ restrictions, where management could perform year end physical verification of inventories subsequent and near to year end. However, we could not able to physically observe the verification of inventories that was carried out by the Management. Consequently, we have performed alternate procedures to audit the existence of Inventory as per the guidance provided by in SA 501 “Audit Evidence – Specific Considerations for Selected Items” and have obtained sufficient audit evidence to issue our unmodified opinion on these Financial Results.

Further opinion of the management on the carrying value of assets and liabilities and COVID-19 impact on the operation as stated in the said note.

- ii) Regarding pending reconciliation of consumption of Raw Material and Stores & Spares with sales and manufacturing, which is in process .

Our opinion is not modified in respect of above matters.

### **Management's Responsibilities for the Financial Results**

The statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulations 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 judgements and estimates that are reasonable and prudent; and the 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or the cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the audit of Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is the 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. Misstatement 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 the statement.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the statement, 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, misrepresentation, 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 through a separate report on the complete set of financial statements on whether the Company has adequate internal financial control with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Other Matters**

The Statement includes the results for the quarter ended 31<sup>st</sup> March, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our opinion on above matters are not modified.

For Lodha & Co,  
Chartered Accountants  
Firm Registration No: 301051E

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(Gaurav Lodha)

Partner

Membership No. 507462

UDIN: 20507462AAAAKV9925

Place: New Delhi

Date: 29<sup>th</sup> June 2020

FRICK INDIA LIMITED						
Registered Office: 21.5 KM, Main Mathura Road, Faridabad, 121003						
CIN-L74899HR1962PLC002618						
Tel : 01292275691-94		Email : fbd@frickmail.com		Website: www.frickweb.com		
AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED ON 31.03.2020						
		Quarter Ended			Year Ended	
		31/03/2020	31/12/2019	31/03/2019	31/03/2020	31/03/2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
		(Rs. in Lakhs)				
	Particulars					
	<b>Revenue</b>					
I	Income from Operations	7,099.19	6,008.91	8,381.80	22,200.04	24,195.21
II	Other Income	86.79	160.63	216.59	500.87	615.29
III	<b>Total Income (I+II)</b>	<b>7,185.98</b>	<b>6,169.54</b>	<b>8,598.39</b>	<b>22,700.91</b>	<b>24,810.50</b>
IV	<b>Expenses</b>					
	Cost of Materials Consumed	4,325.88	3,590.25	5,633.10	14,153.85	14,912.17
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(20.47)	252.00	(445.82)	(191.83)	289.57
	Employees Benefit Expenses	999.16	924.99	1,015.70	3,814.60	3,800.91
	Finance Cost	82.07	60.40	90.25	250.97	285.68
	Depreciation & Amortisation Expense	69.33	69.67	71.19	264.23	231.89
	Other expenses	940.34	644.76	1,260.72	2,555.04	3,139.59
	<b>Total Expenses (IV)</b>	<b>6,396.31</b>	<b>5,542.07</b>	<b>7,625.14</b>	<b>20,846.86</b>	<b>22,659.81</b>
V	<b>Profit before tax (III-IV)</b>	<b>789.67</b>	<b>627.47</b>	<b>973.25</b>	<b>1,854.05</b>	<b>2,150.69</b>
VI	<b>Tax Expenses</b>					
	a) Current tax	262.12	157.92	268.60	530.00	680.00
	b) Deferred tax	10.75	(17.75)	88.88	(36.84)	55.13
	c) Income tax for earlier years	(100.02)	-	(101.88)	(100.02)	(101.88)
	<b>Total taxes (VI)</b>	<b>172.85</b>	<b>140.17</b>	<b>255.60</b>	<b>393.14</b>	<b>633.25</b>
VII	<b>Profit after tax for the period (V-VI)</b>	<b>616.82</b>	<b>487.30</b>	<b>717.65</b>	<b>1,460.91</b>	<b>1,517.44</b>
VIII	<b>Other Comprehensive Income (net of taxes)</b>					
	(A) (i) Items that will not be Reclassified to Profit or Loss:	69.76	(6.50)	(23.88)	51.76	(23.88)
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss:	(17.56)	1.64	8.34	(13.03)	8.34
	(B) (i) Items that will be Reclassified to Profit or Loss:	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss:	-	-	-	-	-
	<b>Total Other Comprehensive Income (IX)</b>	<b>52.20</b>	<b>(4.86)</b>	<b>(15.54)</b>	<b>38.73</b>	<b>(15.54)</b>
X	<b>Total Comprehensive Income for the period (IX+X)</b>	<b>669.02</b>	<b>482.44</b>	<b>702.11</b>	<b>1,499.64</b>	<b>1,501.90</b>
XII	<b>Other Equity</b>				<b>16,648.61</b>	<b>15,167.05</b>
XIII	Paid-up Equity Share Capital (Face value of Rs. 10/- each)	60.00	60.00	60.00	60.00	60.00
	Earnings Per Share (EPS) (Rs./ Share)					
	a) Basic EPS - Not annualised	102.80	81.22	119.62	243.49	252.92
	b) Diluted EPS - Not annualised	102.80	81.22	119.62	243.49	252.92



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AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31.03.2020 (Rs. in Lakhs)

Particular	As at 31.03.2020	As at
	(Audited)	31.03.2019 (Audited)
<b>ASSETS</b>		
(1) Non-current assets		
(a) Property, plant and equipments	1,031.04	1,049.13
(b) Capital work-in-progress	0.96	30.00
(c) Intangible assets	38.31	67.47
(d) Financial Assets		
(i) Investments	2,740.95	2,434.90
(ii) Loans	11.41	8.47
(iii) Other Financial Assets	4,435.65	671.29
(e) Deferred tax assets(Net)	22.12	-
(f) Other non-current assets	8.56	3.20
<b>Total Non-current assets</b>	<b>8,289.00</b>	<b>4,264.46</b>
(2) Current Assets		
(a) Inventories	4,858.19	4,860.60
(b) Financial Assets		
(i) Investments	146.95	171.41
(ii) Trade receivables	6,251.50	7,332.67
(iii) Cash and Cash Equivalents	745.88	372.50
(iv) Bank Balances other than (iii) above	2,024.79	5,685.76
(v) Loans	24.23	37.95
(vi) Others Financial Assets	88.41	77.18
(c) Other current assets	1,409.82	2,117.14
<b>Total Current assets</b>	<b>15,549.77</b>	<b>20,655.21</b>
<b>Total Assets</b>	<b>23,838.77</b>	<b>24,919.67</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity Share Capital	60.00	60.00
(b) Other Equity	16,648.61	15,167.05
<b>Total Equity</b>	<b>16,708.61</b>	<b>15,227.05</b>
<b>LIABILITIES</b>		
(1) Non-current Liabilities		
(a) Financial Liabilities		
- Borrowings	16.18	28.43
(b) Provisions	445.90	485.06
(c) Deferred tax liabilities (Net)	-	1.69
<b>Total Non-current Liabilities</b>	<b>462.08</b>	<b>515.18</b>
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	995.71	1,647.32
(ii) Trade payables		
-Total outstanding dues of micro and small enterprises	16.04	20.25
-Total outstanding dues of creditors other than micro and small enterprises	1,527.19	2,638.05
(iii) Other Financial liabilities	610.89	514.85
(b) Other Current Liabilities	2,871.33	3,474.39
(c) Provisions	143.91	109.34
(d) Current Tax Liabilities (Net)	503.01	773.24
<b>Total Current Liabilities</b>	<b>6,668.08</b>	<b>9,177.44</b>
<b>Total Equity and Liabilities</b>	<b>23,838.77</b>	<b>24,919.67</b>



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CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020 (Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	31.03.2020 (Audited)	31.03.2019 (Audited)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	1,854.05	2,150.69
<b>Adjustments for :</b>		
Depreciation	226.11	196.35
Amortization Expenses	38.12	35.54
(Profit)/Loss on sale of Property, Plant & Equipment (Net)	(1.47)	(8.95)
Interest Received	(422.82)	(377.74)
Dividend Received	(33.59)	(38.54)
(Profit)/Loss on sale of Investment (Net) - Non Current	-	-
- Current	2.96	(1.85)
Unrealised (gain)/loss of investment (Net)	125.47	(105.44)
Finance Cost	250.97	285.68
Provision for interest on income tax made	30.00	50.00
Operating profit before working capital changes	2,069.80	2,185.74
<b>Adjustments for :</b>		
(Increase)/Decrease in Sundry Debtors	1,081.18	(1,400.97)
(Increase)/Decrease in Inventories	2.41	(62.73)
(Increase)/Decrease in Other financial assets and other assets	684.84	(361.29)
Increase/(Decrease) in Other financial liabilities, provision and other liabilities	(1,563.18)	50.50
Cash generated from operations	2,275.05	411.25
Direct Taxes paid	(730.21)	(412.07)
<b>(A) NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>1,544.84</b>	<b>(0.82)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest Received	422.82	377.74
Dividend Received	33.59	38.54
Purchase of Property, Plant & Equipment	(197.76)	(413.12)
Purchase of Intangible Assets	(8.96)	(31.82)
Sale of Property, Plant & Equipment	20.25	9.15
Movement in other Bank Balances	(86.71)	355.99
(Purchase)/Sales of Investments	(410.02)	72.43
<b>(B) NET CASH FROM/ (USED IN) INVESTING ACTIVITIES</b>	<b>(226.79)</b>	<b>408.91</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid, including Dividend Distribution Tax	(18.08)	(18.08)
Finance Cost	(250.97)	(285.68)
Proceeds/(Repayment) from/of short term borrowings	(651.61)	(82.75)
Proceeds/(Repayments) from/of long term borrowings	(24.01)	5.73
<b>(C) NET CASH FROM/ (USED IN) FINANCING ACTIVITIES</b>	<b>(944.67)</b>	<b>(380.78)</b>
<b>NET CASH FLOW DURING THE YEAR A+B+C</b>	<b>373.38</b>	<b>27.31</b>
<b>CASH &amp; CASH EQUIVALENTS(OPENING BALANCE)</b>	<b>372.50</b>	<b>345.19</b>
<b>CASH &amp; CASH EQUIVALENTS(CLOSING BALANCE)</b>	<b>745.88</b>	<b>372.50</b>



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- 1 The above audited financial results for the quarter and year ended 31.03.2020 have been reviewed by Audit committee and approved by the Board of Directors at their respective meeting held on 29.06.2020
- 2 The Company is primarily engaged in the business of manufacture, supply and execution of Industrial Refrigeration and Air conditioning systems. As the basic nature of these activities is governed by the same set of risks and returns, therefore, has only one reportable segment in according to IND AS 108 "Operating Segments".
- 3 The Company has adopted Ind AS 116 "Leases" effective 01.04.2019 as notified by the Ministry of Corporate Affairs (MCA) and applied the Standard to its leases using the simplified approach. This has resulted in recognising right-of-use assets and corresponding lease liabilities. The effect of the adoption of Ind AS 116 is not significant on the profit for the current quarter/year.
- 4 The Board of Directors have recommended a dividend of 25% viz. Rs. 2.50 per share (Previous Year 25%).
- 5 The outbreak of COVID-19 Pandemic has caused global widespread economic disruptions leaving uncertainties with respect to severity & its impact on businesses, which currently cannot be reasonably ascertained. The Company has up to the date of approval of financial results, evaluated and factored in to the extent possible likely material events & circumstances arising from COVID-19 pandemic and their impact on carrying value of its Assets & Liabilities as at 31st March 2020. Based on current indicators of future economic conditions, the Company expects to recover carrying amount of its Assets as on 31st March 2020. The impact of any future events & developments emerging out of COVID-19 Pandemic, if any, and occurring after the balance sheet date and relating to the Assets & Liabilities of the Company as on 31st March 2020 will be recognized prospectively. Considering current market scenario and company's quality product portfolio, brand image, long-standing relationships & goodwill with its customers, suppliers and other stakeholders, Company expects that the business operations, cash flows, future revenue, assets and liabilities will sustain going forward.
- 6 The Government of India on December 12, 2019 vide The Taxation Laws (Amendment) Act, 2019 inserted a new section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/ conditions defined in the said section. The Company has recognized the tax provision in its books as per Section 115BAA during the year and re-measurement of deferred tax liability (Net) which was recognized in earlier tax regime.
- 7 The figures for the previous periods/year have been regrouped / rearranged, wherever necessary. The figures of the last quarter ended on 31st March, 2020 and on 31st March, 2019 are the balancing figures between audited figures in respect of full financial year and unaudited published year to date figures for the nine months ended of the respective financial year.

Jasmohan Singh  
Managing Director

Date : 29.06.2020  
Place: Faridabad



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