

COMPONENT AUDITOR CLEARANCE MEMORANDUM — AUDIT OF THE COMPONENT'S FINANCIAL
INFORMATION

From: DFK Llarena, S.C., Monterrey, México

Date: April 15, 2020

To: Deloitte Haskins & Sells, Ahmedabad, India

In accordance with your instructions dated February 28, 2020, we have audited for purposes of your audit of the consolidated financial statements of Symphony Limited (the "Group") the [financial information included in the special purpose reporting package (the "financial information") of Impco, S. de R.L. de C.V., for the year ended 31st March, 2020. This financial information has been prepared solely to enable the Group to prepare its consolidated financial statements. We have also performed additional procedures in accordance with your instructions, and our findings are included Appendix I and Appendix J.

Management's Responsibility

Management is responsible for the preparation and presentation of the financial information on the basis of Symphony Limited's Group's accounting policies, and for such internal control as management determines is necessary to enable the preparation of the financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial information using International Standards of Auditing and in accordance with your instructions. As requested by you, we planned and performed our audit, including the additional procedures, in accordance with your instructions, using the component materiality and component performance materiality specified in your instructions, which is different than the materiality and performance materiality that we would have used had we been designing the audit to express an opinion on the financial information of the component alone.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the special purpose financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. The conclusions reached in forming our opinion are based on the component materiality and component performance materiality specified by you, in the context of the audit of the consolidated financial statements of the Group.

We have complied with the requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, including the requirements related to Public Interest Entities.

Emphasis of Matter

We draw attention to the "Other Matters of Significance to the Group" section of the Component Auditor Summary Memorandum, which deals with the additional audit procedures performed consequent to COVID-19 and the possible effects of the future implications of the pandemic on Impco, S. de R.L. de C.V. performance and cashflows. Management have also described how they plan to deal with these events and circumstances. Our opinion is not modified in respect of this matter.

Opinion

In our opinion, the financial information for Impco, S. de R.L. de C.V. as of 31st March, 2020 and for the year then ended has been prepared, in all material respects, on the basis of Symphony Limited's Group's accounting policies.

Restriction on Use and Distribution

This financial information has been prepared for purposes of providing information to the Group to enable it to prepare its consolidated financial statements. As a result, the financial information is not a complete set of financial statements of Impco, S. de R.L. de C.V. in accordance with accounting principles generally accepted in India, and is not intended to give a true and fair view of the financial position of Impco, S. de R.L. de C.V. as of March 31, 2020, and of its financial performance, and its cash flows for the year then ended in accordance with accounting principles generally accepted in India. The financial information may, therefore, not be suitable for another purpose.

This report is intended solely for Deloitte Haskins & Sells and should not be used by, or distributed to, anyone in the Group, any of its components, or any other third party.



Salvador Llarena Menard

Parther / DFK Llarena

April 15, 2020

IMPCO, S. de R. L. de C. V.**BALANCE SHEET**

(In '000 MXP)

Particulars	Note	As at 31/03/2020	As at 31/03/2019
I ASSETS			
(1) Non-Current Assets			
(a) Property, plant and Equipment	2a)	19,984	10,670
(b) Other Intangible Assets	2b)	1,806	1,244
(c) Financial Assets			
(i) Other Financial Assets	3	890	890
Total Non-Current Assets		22,680	12,804
(2) Current Assets			
(a) Inventories	4	110,873	92,382
(b) Financial Assets			
(i) Other Investments	5	17,776	2,678
(ii) Trade Receivables	6	73,226	73,811
(iii) Cash and Cash Equivalents	7	13,222	2,668
(c) Other Current Assets	8	32,703	52,411
Total Current Assets		247,800	223,950
Total Assets		270,480	236,754
II EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	9	1	1
(b) Other Equity	10	129,546	122,829
Total Equity		129,547	122,830
(2) Non-Current Liabilities			
(a) Financial liabilities			
(i) Other Financial Liabilities	11	7,266	-
(a) Provisions	12	7,335	6,516
Total Non-Current Liabilities		14,601	6,516
(3) Current Liabilities			
(a) Financial liabilities			
(i) Trade Payables	13	81,698	78,893
(ii) Other Financial Liabilities	14	3,994	-
(b) Other Current Liabilities	15	40,314	27,918
(c) Provisions	16	326	597
Total Current Liabilities		126,332	107,408
Total Liabilities		140,933	113,924
Total Equity and Liabilities		270,480	236,754
See accompanying notes forming part of the Financial Statements	1-32		

IMPCO, S. de R. L. de C. V.**STATEMENT OF PROFIT AND LOSS**

(In '000 MXP)

Particulars	Note	Year Ended 31/03/2020	Year Ended 31/03/2019
I Revenue from Operations	17	274,888	247,890
II Other Income	18	2,217	11,355
III Total Revenue (I + II)		277,105	259,245
IV Expenses:			
Cost of Material Consumed	19	132,488	89,106
Purchase of Stock-in-Trade	20	77,960	87,551
Changes in Inventories of Finished Goods, Work- in-Progress and Stock-in-Trade	21	(19,245)	(11,912)
Employee Benefit Expense	22	28,461	28,529
Finance Costs	23	1,565	57
Depreciation and Amortization Expense	2	7,594	2,792
Advertisement and Sales Promotion Expense	24	3,371	4,153
Other Expenses	24a)	36,809	40,609
Total Expenses (IV)		269,003	240,885
V Profit before Exceptional Items and tax (III – IV)		8,102	18,360
VI Exceptional Items		-	-
V Profit before Tax (III – IV)		8,102	18,360
VI Tax Expense:			
Deferred Tax		-	-
(2) Provision of earlier years		-	-
VII Profit for the year (V - VI)		8,102	18,360
VIII Other comprehensive income			
Items that will not to be reclassified to profit or loss :			
(i) Remeasurements of the defined benefit plans		(1,385)	366
(ii) Income tax effect on above		-	-
Items that will be reclassified to profit or loss :			
(i) Gain / (Loss) on Items designated as Fair Value Through Other Comprehensive Income		-	-
(ii) Income tax effect on above		-	-
Total other comprehensive income (VIII)		(1,385)	366
Total comprehensive income for the year (VII+VIII)		6,717	18,726
See accompanying notes forming part of the Financial Statements 1-32			

DFK Llaena
Contadores Públicos y
Asesores de Negocios



[Handwritten signature]

IMPCO, S. de R. L. de C. V.
STATEMENT OF CHANGE IN EQUITY

A EQUITY SHARE CAPITAL

Amount in '000 MXP

Balance as at March 31, 2018	1
Add: Issue during the year	-
Less: Buyback during the year	-
Balance as at March 31, 2019	1
Add: Issue during the year	-
Less: Buyback during the year	-
Balance as at March 31, 2020	1

B OTHER EQUITY

Amount in '000 MXP

Particulars	Retained Earnings	Total
Balance as at March 31, 2018	104,103	104,103
Profit during the year	18,360	18,360
Other Comprehensive Income for the year, net of income tax	366	366
Total Comprehensive Income for the year	18,726	18,726
IND AS adjustment in Other Equity	-	-
Balance as at March 31, 2019	122,829	122,829
Profit during the year	8,102	8,102
Other Comprehensive Income for the year, net of income tax	(1,385)	(1,385)
Total Comprehensive Income for the year	6,717	6,717
IND AS adjustment in Other Equity	-	-
Balance as at March 31, 2020	129,546	129,546

DFK Llarena
 Contadores Públicos y
 Asesores de Negocios



[Handwritten signature]

www.slla.mx
www.dfk.com.mx

IMPCO, S. de R. L. de C. V.**CASH FLOW STATEMENT**

(In '000 MXP)

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
A CASH FLOW FROM OPERATING ACTIVITIES :		
Profit for the year	8,102	18,360
Adjustments For		
Depreciation and Amortization Expense	7,594	2,792
Finance costs recognised in profit or loss	1,565	57
Interest Income recognised in profit or loss	(1,135)	(767)
Gain on disposal of property, plant and equipment	(155)	(3,405)
Operating Profit Before Working Capital Changes	15,971	17,037
Movements in working capital:		
(Increase) in trade and other receivables	585	(12,898)
(Increase)/Decrease in inventories	(18,491)	(28,187)
Decrease in other assets	19,708	(31,755)
Increase/(Decrease) in trade payables	2,805	55,105
Increase in other liabilities	12,395	(2,400)
Increase/(Decrease) in provisions	(837)	(458)
Cash Generated from Operations	32,136	(3,556)
Income taxes paid	-	-
Net Cash generated by Operating Activities (A)	32,136	(3,556)
B CASH FLOW FROM INVESTING ACTIVITIES :		
Payments to acquire property, plant and equipment / Intangibles	(2,404)	(3,142)
Proceeds from disposal of property, plant and equipment	157	8,860
Interest Received	1,135	767
Net payments to acquire mutual funds	(15,098)	(1,651)
Payments to acquire financial assets	(14)	(14)
C CASH FLOW FROM FINANCING ACTIVITIES :	(16,224)	4,820
Payments on lease liabilities	(3,807)	-
Finance Cost paid	(1,565)	(57)
Net Cash Used in Financing Activities (C)	(5,372)	(57)
Net Increase (Decrease) in Cash & Cash Equivalents (A+B+C)	10,540	1,207
Cash & Cash Equivalents at the beginning of the year	2,135	928
Cash & Cash Equivalents at the end of the year	12,675	2,135
Cash on Hand	99	89
Balances with Schedule Bank in Current Account	12,576	2,046
Cash & Cash Equivalents included in Note no.7	12,675	2,135



DFK Llarena
Contadores Públicos y
Asesores de Negocios

IMPCO, S. de R. L. de C. V.

Notes forming part of the Financial Statements

(1) Significant Accounting Policies:

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016.

(i) Basis of Accounting:

The Accounts have been prepared using historical cost conversion and on the basis of going concern.

Opening / Closing Balances of Assets and Liabilities are converted at opening / closing rates respectively. Transaction during the year are converted at the average rate.

DFK Liarena
Contadores Públicos y
Asesores de Negocios



A handwritten signature in blue ink, appearing to be a stylized "S" or similar character.

IMPCO, S. de R. L. de C. V.												
(2) Property, Plant and Equipment, Capital Work-In-Progress & Other Intangible Assets												
(In '000 MXP)												
	Plant Property Equipment							Total (A)	Other Intangible Assets	Total (B)	Capital WIP (C)	Grand Total (A+B+C)
	Free Hold Land	Buildings	Right to Use Asset	Plant & Machinery	Furniture & Fixtures	Computer	Vehicles					
Gross Block												
As at 31/03/2018	5,132	4,083	-	19,154	913	1,826	2,821	33,929	-	-	-	33,929
Additions	-	-	-	1,735	131	32	-	1,898	1,244	1,244	-	3,142
Disposals	5,132	621	-	1,600	-	263	-	7,616	-	-	-	7,616
As at 31/03/2019	-	3,462	-	19,289	1,044	1,595	2,821	28,211	1,244	1,244	-	29,455
Additions	-	-	15,068	976	-	91	623	16,758	714	714	-	17,472
Disposals	-	-	-	654	-	435	62	1,151	-	-	-	1,151
As at 31/03/2020	-	3,462	15,068	19,611	1,044	1,251	3,382	43,818	1,958	1,958	-	45,776
Accumulated Depreciation and Amortization												
As at 31/03/2018	-	594	-	12,410	70	1,285	2,551	16,910	-	-	-	16,910
Depreciation and Amortization For The Year	-	175	-	2,200	94	185	138	2,792	-	-	-	2,792
Eliminated on disposals of assets	-	526	-	1,375	-	260	-	2,161	-	-	-	2,161
As at 31/03/2019	-	243	-	13,235	164	1,210	2,689	17,541	-	-	-	17,541
Depreciation and Amortization For The Period	-	174	4,407	2,422	101	178	160	7,442	152	152	-	7,594
Eliminated on disposals of assets	-	-	-	654	-	434	61	1,149	-	-	-	1,149
As at 31/03/2020	-	417	4,407	15,003	265	954	2,788	23,834	152	152	-	23,986
Net Block												
As at 31/03/2018	5,132	3,489	-	6,744	843	541	270	17,019	-	-	-	17,019
As at 31/03/2019	-	3,219	-	6,054	880	385	132	10,670	1,244	1,244	-	11,914
As at 31/03/2020	-	3,045	10,661	4,608	779	297	594	19,984	1,806	1,806	-	21,790

IMPCO, S. de R. L. de C. V.**Notes forming part of the Financial Statements**

(In '000 MXP)

(3) OTHER NON-CURRENT FINANCIAL ASSETS		
Particulars	As at 31/03/2020	As at 31/03/2019
Unsecured, considered good		
Other loans and advances		
Deposit Others	890	890
	<u>890</u>	<u>890</u>
(4) INVENTORIES		
Particulars	As at 31/03/2020	As at 31/03/2019
Raw materials (Including Packing Material)	24,589	25,343
Work-in-Progress	-	-
Finished Goods	36,025	38,155
Stock-In-Trade Including Goods in Transit	50,259	28,884
	<u>110,873</u>	<u>92,382</u>
(5) OTHER INVESTMENTS		
Particulars	As at 31/03/2020	As at 31/03/2019
Current Investments	Nos.	Nos.
Unquoted Investments		
Investment in Mutual Funds		
BBVA BANCOMER S.A.-BMRGBP Series E	1,299,612	208,368
	<u>17,776</u>	<u>2,678</u>
(6) TRADE RECEIVABLE		
Particulars	As at 31/03/2020	As at 31/03/2019
Debtors outstanding for more than six months		
Unsecured Considered good	-	5,224
Trade Receivable from Related Party	-	-
Other Debts		
Unsecured Considered good	73,226	68,587
	<u>73,226</u>	<u>73,811</u>
Age of receivables	As at 31/03/2020	As at 31/03/2019
Within the credit period		
1-90 days past due	73,155	68,587
91-180 days past due	71	5,224
181-360 days past due	-	-
More than 360 days past due	-	-
Movement in the expected credit loss allowance	As at 31/03/2020	As at 31/03/2019
Balance at beginning of the year	-	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	-
	<u>-</u>	<u>-</u>
Balance at end of the year	<u>-</u>	<u>-</u>
The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.		
(7) CASH & CASH EQUIVALENTS		
Particulars	As at 31/03/2020	As at 31/03/2019
Cash and Cash Equivalents		
Cash on Hand	29	29
Balance with employees Imprest account	70	60
Balance with banks in current accounts	12,576	2,046
	<u>12,675</u>	<u>2,135</u>
Other Bank Balances		
In Earmarked Accounts		
Margin Accounts	547	533
	<u>13,222</u>	<u>2,668</u>
(8) OTHER CURRENT ASSETS		
Particulars	As at 31/03/2020	As at 31/03/2019
Advance for supply of goods and rendering of services		
Unsecured, considered good	21,937	43,315
Balance with statutory / government authorities	10,766	9,096
	<u>32,703</u>	<u>52,411</u>

DFK Liarena
Contadores Públicos y
Asesores de Negocios



www.sila.mx
www.dfk.com.mx

IMPCO, S. de R. L. de C. V.**Notes forming part of the Financial Statements**

(In '000 MXP)

(9) EQUITY SHARE CAPITAL

Particulars	As at 31/03/2020	As at 31/03/2019
Share Capital	1	1
	<u>1</u>	<u>1</u>

The details of shareholder holding more than 5% shares as at March 31, 2020 is set out below:

Name of the shareholder	% held as at Mar 31, 2020	% held as at Mar 31, 2019
Symphony Limited	99.90%	99.90%

(10) OTHER EQUITY

Particulars	As at 31/03/2020	As at 31/03/2019
Retained Earnings	129,546	122,829
	<u>129,546</u>	<u>122,829</u>

10.1 Retained Earnings

Particulars	As at 31/03/2020	As at 31/03/2019
Opening Balance	122,829	104,103
Profit for the year	8,102	18,360
Other Comprehensive income arising from remeasurement of defined benefit obligation	(1,385)	366
Amount available for appropriation	<u>129,546</u>	<u>122,829</u>
Appropriations:	<u>-</u>	<u>-</u>
Closing Balance	129,546	122,829

DFK Llaena
Contadores Públicos y
Asesores de Negocios



www.slla.mx
www.dfk.com.mx

IMPCO, S. de R. L. de C. V.

Notes forming part of the Financial Statements

(In '000 MXP)

(11) OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	As at 31/03/2020	As at 31/03/2019
Lease Liabilities (LT Portion)	7,266	-
	<u>7,266</u>	<u>-</u>

(12) LONG-TERM PROVISIONS

Particulars	As at 31/03/2020	As at 31/03/2019
Provision for Defined Benefit Plan	7,335	6,516
	<u>7,335</u>	<u>6,516</u>

(13) TRADE PAYABLES

Particulars	As at 31/03/2020	As at 31/03/2019
Trade Payables	10,376	41,339
Trade Payables Related Party	71,322	37,554
	<u>81,698</u>	<u>78,893</u>

(14) OTHER FINANCIAL LIABILITIES

Particulars	As at 31/03/2020	As at 31/03/2019
Lease Liabilities (ST Portion)	3,994	-
	<u>3,994</u>	<u>-</u>

(15) OTHER CURRENT LIABILITIES

Particulars	As at 31/03/2020	As at 31/03/2019
For other liabilities		
Advance from Customers	-	485
Statutory Dues	14,996	12,881
Other Payables	25,318	14,552
	<u>40,314</u>	<u>27,918</u>

(16) SHORT-TERM PROVISIONS

Particulars	As at 31/03/2020	As at 31/03/2019
Provisions for		
Warranty	326	597
	<u>326</u>	<u>597</u>
	<u>Warranty</u>	<u>Warranty</u>
Opening Balance	597	1,300
Additional provisions recognised	1,688	2,036
Reductions arising from payments	(1,959)	(2,739)
Closing Balance	<u>326</u>	<u>597</u>

DFK Llarena
Contadores Públicos y
Asesores de Negocios



Handwritten signature

www.slla.mx
www.dfk.com.mx

IMPCO, S. de R. L. de C. V.**Notes forming part of the Financial Statements**

(In '000 MXP)

(17) REVENUE FROM OPERATIONS

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Revenue from Sale of Products	274,888	247,890
	<u>274,888</u>	<u>247,890</u>
Sale of products comprises of:		
Air Coolers	267,100	233,714
Others	7,788	14,176
	<u>274,888</u>	<u>247,890</u>

(18) OTHER INCOME

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Interest Income	1,135	767
Gain on disposal of property, plant and equipment	155	3,405
Foreign Exchange Fluctuation	19	-
Other Non Operating Income	908	7,183
	<u>2,217</u>	<u>11,355</u>

(19) COST OF MATERIAL CONSUMED

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Opening Stock of Raw Materials	25,343	9,068
Add: Purchases	131,734	105,381
Less: Closing Stock of Raw Materials	24,589	25,343
	<u>132,488</u>	<u>89,106</u>

Cost of material comprises of Moulded Parts & components of Air Cooler

(20) PURCHASE OF STOCK-IN-TRADE

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Air Coolers	68,127	76,593
Others	9,833	10,958
	<u>77,960</u>	<u>87,551</u>

(21) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESSES AND STOCK-IN-TRADE

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Opening Stock		
Work-in-Progress	-	68
Finished Goods	38,155	12,745
Stock-In-Trade	28,884	42,314
Less:		
Closing Stock		
Work-in-Progress	-	-
Finished Goods	36,025	38,155
Stock-In-Trade	50,259	28,884
	<u>(19,245)</u>	<u>(11,912)</u>

(22) EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Salaries, Wages and Bonus	14,439	15,599
Contribution to Provident Fund and Other Funds	14,022	12,930
	<u>28,461</u>	<u>28,529</u>

(23) FINANCE COSTS

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Interest Expense	1,565	57
	<u>1,565</u>	<u>57</u>

DFK Llarena
Contadores Públicos y
Asesores de Negocios



www.slla.mx
www.dfk.com.mx

IMPCO, S. de R. L. de C. V.**Notes forming part of the Financial Statements****(In '000 MXP)**

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
(24) Advertisement and Sales Promotion	3,371	4,153
	3,371	4,153
(24a) OTHER EXPENSES		
Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
Stores, Spareparts and Packing Material consumed	254	116
Assembly and Labour Charges	6,832	4,514
Power and Fuel	578	537
Repairs & Maintenance		
Building	171	228
Machinery	607	618
Rent	1,413	5,615
Travelling	2,065	2,524
Communication Expenses	809	805
Insurance	690	544
Printing and stationery charges	122	123
Legal & Professional Charges	1,108	3,746
Payment to Auditors (Refer Note no. 27)	727	300
Vehicle Expenses	710	919
General Expenses	7,408	7,506
Bank Charges	196	114
Repairs Others	260	274
Foreign Exchange Fluctuation	-	419
Freight & Forwarding Charges	10,409	8,624
Warranty Expense	1,688	2,036
Sales Commission	762	1,047
	36,809	40,609

DFK Llaena
 Contadores Públicos y
 Asesores de Negocios



[Handwritten signature]

IMPCO, S. de R. L. de C. V.**Notes forming part of the Financial Statements****(In '000 MXP)****(25) Segment Reporting****(a) Secondary Segment: Geographical segment**

	Year Ended 31/03/2020	Year Ended 31/03/2019
(1) Segment Revenue		
Mexico	266,951	244,865
Rest of the world	7,937	3,025
Net Revenue from Sale of Products	274,888	247,890
(2) Segment Profit before Interest and Taxes (PBIT)		
Mexico	7,568	17,690
Rest of the world	2,099	727
Total	9,667	18,417
Less: Finance Costs	1,565	57
Less: Taxes	-	-
Total Profit After Tax	8,102	18,360

DFK Llaena
Contadores Públicos y
Asesores de Negocios



IMPCO, S. de R. L. de C. V.**Notes forming part of the Financial Statements**

(In '000 MXP)

(26) Related Party Disclosures

Sr no	Name of the Related Parties	Nature of relationship with company	Nature of transaction	Apr 2019 - Mar 2020		Apr 2018 - Mar 2019	
				Volume of transaction	Balance at the end of the period	Volume of transaction	Balance at the end of the period
1	Symphony Limited	The parent company	Sale of Goods	-	-	-	-
			Software expenses	124	-	-	-
			Purchase of Goods	70,528	71,322	46,588	37,554
2	Symphony Limited	The parent company	Loan taken	-	-	206	-
			Loan repaid	-	-	206	-
			Loan interest	-	-	-	-
3	Guangdong Symphony Keruilai Air Coolers Co., Ltd	Subsidiary of Symphony Limited	Sale of Goods	-	-	-	-
			Purchase of Goods	6,254	(1,144)	16,150	(2,776)
4	Climate Tech	Subsidiary of Symphony Limited	Sale of Goods	-	-	-	-
			Purchase of Goods	1,864	-	-	-
5	Bonaire USA LLC	Subsidiary of Symphony Limited	Sale of Goods	-	-	-	-
			Purchase of Goods	536	-	539	-

(27) Auditors' Remuneration

	mar-20	mar-19
a) As Auditor	689	240
b) In other capacity, in respect of		
i) Social Security Audit	38	60
ii) Certification	-	-
iii) Taxation Matters	-	-
	<u>727</u>	<u>300</u>

(28) Leases**28.1 : Leasing Arrangement**

Operating lease is related mainly to buildings, equipment, etc.

28.2 : Payment recognised as an expenses

	2020	2019
Minimum Lease Payments	1,413	5,615
Contingent Rentals	-	-
Sub-Lease payment received	-	-
Total	<u>1,413</u>	<u>5,615</u>

If there is some Non-cancellable operating lease then, following details are also required:

28.3 : Non-cancellable operating lease commitments

	2020	2019
Note later than 1 year	5,100	5,171
Later than 1 year and not later than 5 years	8,082	13,164
Later than 5 years	-	-
	<u>13,182</u>	<u>18,335</u>

(29) Details of yearwise carryforward loss of previous years under Income Tax Act. And for how many years the loss can be carryforward.

Calendar year of expiration	Tax loss carryforwards
2026	5,575
	<u>5,575</u>

DFK Llaena
 Contadores Públicos y
 Asesores de Negocios


IMPCO, S. de R. L. de C. V.

Notes forming part of the Financial Statements

(In '000 MXP)

(30) Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet Date

Particulars	mar-20			mar-19		
	Currency	In Foreign Currency	In '000 MXP	Currency	In Foreign Currency	In '000 MXP
Trade Payables	US\$	3,504,005	73,708	US\$	2,128,610	41,934
Advance for Import purchases	US\$	610,182	12,814	US\$	672,250	13,243
Advance from Customer	US\$	-	-	US\$	-	-
	GBP	-	-	GBP	-	-
Trade Receivable	US\$	-	-	US\$	-	-
	EURO	-	-	EURO	-	-
Loan Receivable	US\$	-	-	US\$	-	-

(31) Expenditure on Research & Development activities as certified by the Management are as under

<u>Particulars</u>	<u>mar-20</u>	<u>mar-19</u>
Capital Expenditure	-	-
Revenue Expenditure		
Material Cost	-	-
Other Expenses (general expenses)	207	237
Total	<u>207</u>	<u>237</u>

IMPCO, S. de R. L. de C. V., Mexico and Subsidiary

Notes forming part of the Financial Statements

(In '000 MXP)

(32) Employee Benefits
Defined benefit plans

The defined benefit plant of the Company includes seniority premium and pension plan.

The plan typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.

Interest risk: A fall in the discount rate which is linked to the Government Securities. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Longevity risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

The Present value of gratuity obligations is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The principal assumptions used for the purposes of actuarial valuation were as follows:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Seniority Premium	Pension Plan	Seniority Premium	Pension Plan
Expected return on plan assets	-	-	-	-
Discount rate	7.00%	7.25%	10.00%	9.75%
Rate of salary increase	4.50%	4.50%	4.50%	4.50%
Rate of employee turnover	-	-	-	-

II Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Seniority Premium	Pension Plan	Seniority Premium	Pension Plan
Current service cost	109	336	65	357
Net interest expense	118	516	59	437
Actuarial (gains)/losses arising from experience adjustments	-	-	-	-
Adjustment in OCI due to extinction of obligations.	-	-	-	-
Components of defined benefit cost recognised in profit or loss	228	853	124	794
Actuarial (gains)/losses on obligation for the period	519	(1,904)	(507)	874
Adjustment in OCI due to extinction of obligations.	-	-	-	-
Return on plan assets (excluding interest income)	-	-	-	-
Components of defined benefit costs recognised in other comprehensive income	519	(1,904)	(507)	874
Total	747	(1,051)	(383)	1,668

III The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	As at March 31, 2020		As at March 31, 2019	
	Seniority Premium	Pension Plan	Seniority Premium	Pension Plan
Present value of defined benefit obligation	(724)	(6,611)	(1,224)	(5,292)
Fair value of plan assets	-	-	-	-
Deficit or Surplus	(724)	(6,611)	(1,224)	(5,292)
Net liability arising from defined benefit obligation	(724)	(6,611)	(1,224)	(5,292)

IV Movements in the present value of the defined benefit obligation are as follows:

	As at March 31, 2020		As at March 31, 2019	
	Seniority Premium	Pension Plan	Seniority Premium	Pension Plan
Opening defined obligation	1,224	5,292	816	5,821
Current service cost	109	336	65	357
Interest cost	118	516	59	437
Benefits paid	(207)	(1,438)	(223)	(449)
Actuarial (gains)/losses arising from changes in financial assumptions	150	1,454	-	-
Actuarial (gains)/losses arising from experience adjustments	(670)	451	507	(874)
Closing defined benefit obligation	724	6,611	1,224	5,292

DFK Llaarena
Contadores Públicos y
Asesores de Negocios



8

www.slla.mx
www.dfk.com.mx