

**Delta Spinners Limited**  
Selected Explanatory Notes as at 30th September, 2018

**1 Statement of Compliance**

These Condensed Consolidated Financial Statements do not include all the information as required for full annual financial statements, and have been prepared in accordance with Bangladesh Financial Reporting Standards.

**2 Accounting Policies**

The Company has applied the same accounting policies and methods of computation for the interim financial statements as in the un-audited annual financial statements as of and for the year ended June 30, 2018.

3 There was a "Non-operating Income" during the period amounting to Tk. 14.12 lacs leading to increased Earnings Per Share. This Non-operating Income originated from the interest earned from FDR.

4 The new Export Oriented Unit of the factory gradually started its operations from middle of July, 2018 and hence there has been an increase in sales and increase in net profit. Besides, collection against sales increased upward as against previous corresponding quarter. There has not been any trading operation of the subsidiary company during the 1<sup>st</sup> quarter under review.

5 The "Capital Work-in-Progress" amounting to Tk. 89.59 crores has been transferred to the head "Property, Plant & Equipment". Thus, there has been an increase in Depreciation amount which has a direct effect in the net profit and positively in Operating Activities of Cash-Flow

6 The interim financial statements has been prepared based on un-audited annual financial statements for the year ended 30th June, 2018. Prayer has been submitted to BSEC for extending two months time to complete and submission of audit report.

**7 Related Party Transaction**

During the period, the Company paid a compensation to its 5 (five) key management personnel as "Short Term Employee Benefit" of Tk.8,20,404. No long term or any other benefits has been paid to these key management personnel.

The accounts have been posted in the Web Site of the Company at: [www.delta-spinners.com](http://www.delta-spinners.com)

