

Delta Spinners Limited

Selected Explanatory Notes on the Accounts as at 31st March, 2019

- 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 International Financial Reporting Standards.
- 2) **Accounting Policies:** The Company has applied the same accounting policies and methods of computation for the interim financial statements which has been prepared based on un-audited annual financial statements for the year ended 30th June, 2018.
- 3) 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 an increase in net profit that resulted in increase in EPS against previous corresponding period. Besides, collection against sales increased upward against previous corresponding period that resulted in an increase of NOCFPS. There has not been any trading operation of the subsidiary company during the 3rd quarter under review.
- 4) 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 negative effect in the net profit.
- 5) **Share Capital:** There has not been any Share Premium, Preference Share Capital or conversion of any other securities. Share Capital from 01.07.2017 to 09.01.2018 was Tk. 151,34,72,400 and Share Capital from 10.01.2018 to 31.03.2019 was Tk. 166,48,19,640.
- 6) **Issued, Subs. & Paid-up Capital:** From 01.07.2017 to 09.01.2018: 15,13,47,240 Ordinary shares of Tk. 10 each fully paid up and from 10.01.2018 to 31.03.2019: 16,64,81,964 Ordinary Shares of Tk. 10 each fully paid up. The increase was due to issuance of stock dividend as approved in the AGM on 30.12.2017.
- 7) **Related Party Transaction:** During the period, the Company paid a compensation to its 5 (five) key management personnel namely, Mr. Mostafa Jamal Haider, Managing Director, Mr. Masudur Rahman, Executive Director and Company Secretary, Mr. Ziaur Rahman, CFO, Mr. Mostafa Zakaria Haider, Head of Internal Audit and Compliance and Mr. Abu Ahammad Sharif, General Manager as "Short Term Employee Benefit" of Tk. 27,95,258. 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