

**Delta Spinners Limited**  
Selected Explanatory Notes as at 31st March, 2017

**1 Statement of Compliance**

These 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 annual financial statements as of and for the year ended June 30, 2016.

- 3 The textile spinning factory of the Company was going through BMRE process for the last several months and many productive machinery had to be dismantled for the purpose. Hence there had been substantial production loss, consequent lower profit and lower EPS.
- 4 The Non-operating Income has reduced substantially due to decrease in the investment in FDR. The FDR fund was generated out of Rights Issue proceeds but has been utilized for "BMRE" and "Expansion Through Product Diversification" purpose. Thus, while the Non-operating Income during Q3 of 2015-16 was Tk. 264.89 lacs, it is now only Tk. 12.74 lacs during Q3 of 2016-17 because of utilization of FDR fund for the above mentioned investments.
- 5 During the period, the Company has exported goods valued at about Tk. 20.41 crores.
- 6 Capital Work-in-Progress amount of Tk. 6208.72 lacs represents investments in the "Expansion Through Product Diversification" (100% Export Oriented Unit) of the Company out of the Rights Issue Fund.
- 7 The paid up capital of the Company has been increased to Tk. 151,34,72,000 in January, 2017 through allotment of Bonus share for Tk. 13,75,88,400 dividend into 1,37,58,840 ordinary shares of Tk. 10 each as per resolution adopted in 36 AGM of the Company. Subsequently the EPS, NAV Per Share & NOCFPS calculation has been reduced down correspondingly.

**8 Related Party Transaction**

During the period of 1st July, 2016 to 31st March, 2017 an amount of Tk. 4.41 lacs was advanced to Delta Ceramics Limited by Delta Spinners Limited which is a Related Party Transaction. Except this, there is no other Related Party Transaction.

- 9 During the period, the Company paid a compensation to its 5 (five) key management personnel as "Short Term Employee Benefit" of Tk. 20,39,400 (against Salary & Allowances). 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)