

Delta Spinners Limited

Selected Explanatory Notes on the Accounts as on 31st March, 2023

- 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 as in the un-audited annual financial statements as of and for the year ended 30th June, 2022.
- 3) The Interim financial statements have been prepared based on un-audited financial statements for the year ended 30th June, 2022. As per IAS-34, only "Selected Explanatory Notes" are provided. Detailed break-up of the amounts are not presented in the Financial Statements.
- 4) **Subsidiary Company:** There has not been any trading operation of the subsidiary company during the period under review.
- 5) **Reasons for Low Operational Performance:** Due to increase of tariff of Titas Gas from Tk. 16.00 per Cubic Meter to Tk. 30.00 per Cubic Meter since February, 2023, the 3rd quarter of the accounting year has experienced a huge operational loss leading to a cumulative negative EPS to 0.04. In addition to the above problems, due to erratic behavior of power supply and higher price of power, the demand of our produced yarn as well as its price were significantly low to the weaving factories, i.e. to the primary buyers of our produced yarn. Besides, due to Ukraine-Russia war, the price of our basic raw materials, i.e. raw cotton has increased in the international market. Hence, there has been a negative operational results during the period under review.
- 6) **Issued, Subscribed & Paid-up Capital:** The present number of Ordinary Shares stands at 16,64,81,964 of Tk. 10 each fully paid up. The paid up capital is Tk. 166,48,19,640 only.
- 7) **Related Party Transaction:** During the period under review, 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, Ms. Rabeya Sultana, CFO, Mr. Mostafa Zakaria Haider, Head of Internal Audit & Compliance and Mr. Abu Ahammad Sharif, General Manager as "Short Term Employee Benefit" amounting to Tk. 31,59,309 only. 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

