



Accounts for the
Half Year Ended
December 31, 2021

GLOBE TEXTILE MILLS LIMITED

GLOBE TEXTILE MILLS LTD.

BOARD OF DIRECTORS

ARIF HAJI HABIB - Chief Executive Director
FARZANA ARIF - Non Executive Director
GUL BANO HAJI HABIB- Non Executive Director
ARSHAD ARIF - Executive Director
MISBAH ARIF - Non Executive Director
FARZEEN FAZL-E-UMER - Non Executive Director
SAMEERA YASIN SAYA - Non Executive Director

AUDIT COMMITTEE

ARSHAD ARIF -CHAIRMAN
MISBAH ARIF
FARZEEN FAZL-E-UMER

HR COMMITTEE

ARSHAD ARIF -CHAIRMAN
FARZANA ARIF
FARZEEN FAZL-E-UMER

COMPANY SECRETARY

HUMAIRA ARSHAD

CHIEF FINANCIAL OFFICER

SALIM MAYARI

BANKERS

MCB BANK LIMITED

LEGAL ADVISER

SADIA KHATOON (Advocate)

AUDITORS

PARKER RUSSELL-A.J.S.
Chartered Accountants.

REGISTERED OFFICE

105, IBRAHIM TRADE TOWER
SHAHRAH-E-FASIAL,
KARACHI.

E-MAIL

arshadarifhabib@gmail.com

GLOBE TEXTILE MILLS LIMITED

DIRECTORS REVIEW

The Directors are pleased to present before you the First Quarter un-audited accounts of Globe Textile Mills Limited. for the period ended December 31, 2021

The Company incurred losses before taxation of Rs. (.522) million during the period under review.

The net loss after taxation during the period under review is Rs. (.522) million during the period under review.

The reasons for losses are attributed due to charge of depreciation and payment of fixed overheads.

Your Directors are pleased to record their appreciation for the dedication, commitment and loyalty of the employees.

For and on behalf of the Board of Directors

(Arif Haji Habib)
Chief Executive.

Karachi : 28.02.2022

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **GLOBE TEXTILE MILLS LIMITED** as at December 31, 2021 and the related condensed interim statement of profit or loss and condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit and loss and condensed interim statement of comprehensive income for the quarters ended December 2020 and December 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Hina Kazi.

Chartered Accountants

Date: 28.02.2022

Place: Karachi

GLOBE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT DECEMBER 31, 2021

		Dec 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	Note	---- (Rupees in '000') ----	
ASSETS			
Non-current assets			
Plant and equipment	5	2,016	2,240
		<u>2,016</u>	<u>2,240</u>
Current assets			
Due from related party	6	50,778	50,824
Cash and bank balance	7	40	38
		<u>50,818</u>	<u>50,862</u>
TOTAL ASSETS		<u><u>52,834</u></u>	<u><u>53,102</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
20,000,000 (2021: 20,000,000) ordinary shares of Rs. 10/- each		<u>200,000</u>	<u>200,000</u>
Capital reserve - issued, subscribed and paid-up capital		163,664	163,664
Revenue reserve - accumulated loss		<u>(112,048)</u>	<u>(111,526)</u>
TOTAL EQUITY		<u>51,616</u>	<u>52,138</u>
Current liabilities			
Accrued liabilities and other payables	8	1,218	964
Contingencies and commitments	9		
TOTAL EQUITY AND LIABILITIES		<u><u>52,834</u></u>	<u><u>53,102</u></u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

GLOBE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Half-year ended		Quarter ended	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
	----- (Rupees in '000') -----			
Administrative expenses	(298)	(338)	(149)	(169)
Other expenses	(224)	(284)	(112)	(142)
Other income	-	62	-	31
	<u>(522)</u>	<u>(560)</u>	<u>(261)</u>	<u>(280)</u>
Finance cost	-	-	-	-
Loss before taxation	<u>(522)</u>	<u>(560)</u>	<u>(261)</u>	<u>(280)</u>
Taxation	-	-	-	-
Loss after taxation	<u><u>(522)</u></u>	<u><u>(560)</u></u>	<u><u>(261)</u></u>	<u><u>(280)</u></u>
Loss per share - basic and diluted (rupees)	<u><u>(0.03)</u></u>	<u><u>(0.03)</u></u>	<u><u>(0.02)</u></u>	<u><u>(0.02)</u></u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

GLOBE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	<u>Half-year ended</u>	
	<u>Dec 31,</u> <u>2021</u>	<u>Dec 31,</u> <u>2020</u>
	----- (Rupees in '000') -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(522)	(560)
Adjustments for non cash and other items:		
Depreciation - idle plant	224	280
Loss before working capital changes	<u>(298)</u>	<u>(280)</u>
Decrease in current assets		
Due from related parties	46	145
Increase in current liabilities		
Trade and other payables	254	149
Net cash flow after working capital changes	<u>2</u>	<u>14</u>
Net cash generated from operating activities	<u>2</u>	<u>14</u>
Net increase in cash and cash equivalents	2	14
Cash and cash equivalents at the beginning of the period	<u>38</u>	<u>18</u>
Cash and cash equivalents at the end of the period	<u><u>40</u></u>	<u><u>32</u></u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

GLOBE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Half-year ended		Quarter ended	
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Dec 31, 2020
	----- (Rupees in '000') -----			
Loss after taxation	(522)	(560)	(261)	(280)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(522)	(560)	(261)	(280)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

GLOBE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	Capital reserve	Revenue reserve	
	Issued, subscribed and paid-up capital	Accumulated loss	Total
----- (Rupees in '000') -----			
Balance as at July 01, 2020 - (Audited)	163,664	(110,566)	53,098
Net loss for the period	-	(560)	(560)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(560)	(560)
Balance as at December 31, 2020 - (Unaudited)	163,664	(111,126)	52,538
Net loss for the period	-	(400)	(400)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(400)	(400)
Balance as at June 30, 2021 - (Audited)	163,664	(111,526)	52,138
Net loss for the period	-	(522)	(522)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(522)	(522)
Balance as at December 31, 2021 - (Unaudited)	163,664	(112,048)	51,616

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

GLOBE TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

1. THE COMPANY AND ITS OPERATIONS

Globe Textile Mills Limited (the Company) was incorporated on November 17, 1967 as a public limited company in Pakistan and registered under the Companies Act, 1913 [Repealed with the enactment of the Companies Act 2017]. Its shares are quoted on Pakistan Stock Exchange (PSX). The principal activity of the Company is manufacturing and selling of yarn. The Company has ceased its concerned operations since April 2006.

The registered office of the Company is situated at 105, Ibrahim Trade Tower Shahrah-e-Faisal, Karachi

- 1.1 The Securities and Exchange Commission of Pakistan (SECP) issued a winding up order dated December 08, 2015 based on the facts that the Company is in non-productive state since April 2006 and has not come up with any revival plan for recommencement of its business. Consequently, winding-up petition against the Company was filed before the honorable court by SECP which is currently pending adjudication.

The Company ceased its operations and sold its entire land, building, and significant portion of plant and machinery in order to pay off its liabilities to the banks and other creditors. Further, as at reporting date, the Company has accumulated losses of Rs. 112.048 million equivalent to 68.46% of its paid-up capital. Therefore, the financial statements of the Company have been prepared on a non-going concern basis of accounting whereby the assets are stated at realisable values and the liabilities are stated at their approximate settlement amounts.

2. STATEMENT OF COMPLIANCE

- 2.1 Due to the facts as fully mentioned in note 1.1 above, these interim financial statements have been prepared on the basis other than going concern. All assets and liabilities are stated at their net realisable values and approximate settlement amounts.

Further, 'Guideline on the basis of preparation of financial statements for companies that are not considered going concern' issued by The Institute of Chartered Accountants of Pakistan (ICAP) is followed in this respect.

- 2.2 These condensed interim financial statements of the Company for the half year ended December 31, 2021 have been prepared in accordance with the accounting and reporting standards applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- provisions of and directives issued under the Act.

Where the provisions of or directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

- 2.3 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2021.

3.1 Change in accounting standards, interpretations and amendments to the accounting and reporting standards

a) Standards and amendments to accounting and reporting standards which became effective during the half year ended December 31, 2021

There were certain amendments to accounting and reporting standards which became mandatory for the Company's annual accounting period which began on July 1, 2021. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

b) Standards and amendments to accounting and reporting standards that are not yet effective

Standards and amendments to accounting and reporting standards beginning on or after July 1, 2021 will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income or expenses. Actual results may differ from these estimates.

The estimates and judgments and methods of computation adopted for the preparation of the condensed interim financial statements are same as those applied in the preparation of the annual financial statements of the Company as at and for the year ended June 30, 2021.

		Dec 31, 2021 (Un-audited)	June 30, 2021 (Audited)
5. PLANT AND EQUIPMENT	Note	---- (Rupees in '000') ----	
Plant and equipment	5.1	<u>2,016</u>	<u>2,240</u>

5.1 During the period, there are no additions or disposal in plant and equipment. (June 30, 2021: nil)

		Dec 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	Note	---- (Rupees in '000') ----	
6. DUE FROM RELATED PARTY			
Chief executive officer	6.1	<u><u>50,778</u></u>	<u><u>50,824</u></u>

6.1 This represents amount receivable from CEO in compliance with the interim order of Enforcement Department of Securities and Exchange Commission of Pakistan (SECP). SECP while disposing off the proceedings initiated against the Company, its CEO and directors in violation of provisions of Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017) had directed the Company to record a receivable from the CEO amounting to Rs. 53.736 million, which was admitted by him, to retrieve certain financial transaction of the Company in the preceding years which were not approved by SECP and were directed to be reintroduced in the books of account of the Company. No mark-up to be charged on the outstanding amount.

6.2 The maximum amount outstanding calculated with reference to month end balances is Rs. 50.824 (June 30, 2021: 51.238) million.

		Dec 31, 2021 (Unaudited)	June 30, 2021 (Audited)
		---- (Rupees in '000') ----	
7. CASH AND BANK BALANCE			
Cash in hand		2	1
Cash at bank - current account		<u>38</u>	<u>37</u>
		<u><u>40</u></u>	<u><u>38</u></u>

8. ACCRUED LIABILITIES AND OTHER PAYABLES

Audit fee	294	165
Central Depository Company of Pakistan Limited (CDC)	302	302
Pakistan Stock Exchange Limited (PSX)	548	416
Others	<u>74</u>	<u>81</u>
	<u><u>1,218</u></u>	<u><u>964</u></u>

9. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies and commitments as reported in the financial statements for the year ended June 30, 2021.

10. TRANSACTIONS WITH RELATED PARTIES

The related parties include entities having directors in common with the Company, major shareholders of the Company, directors and other key management personnel. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these interim financial statements are as follows:

Related Party	Nature of relationship	Nature of transaction / balance	Dec 31, 2021 Rupees (000)	June 30, 2021 Rupees (000)
Chief Executive Officer (CEO)	CEO	Payment received from the chief executive officer of the Company	46	414

11. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2021.

12. AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Company.

13. GENERAL

Figures have been rounded off to the nearest thousand rupees.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

BOOK POST

UNDER POSTAL CERTIFICATE

If undelivered, please return to:
GLOBE TEXTILE MILLS LIMITED
105, Ibrahim Trade Tower, Shahrah-e-Faisal,
Karachi.