



Accounts for the
Half Year Ended
December 31, 2023

GLOBE TEXTILE MILLS LIMITED

GLOBE TEXTILE MILLS LTD.

BOARD OF DIRECTORS

ARSHAD ARIF - Chief Executive Officer
HUMAIRA ARSHAD - Executive Director
FARZANA ARIF - Non Executive Director
MAHEEN ARIF - Non Executive Director
MISBAH TAHA KANCHWALA - Non Executive Director
SAMAN FAHIM MEMON - Non Executive Director
LAIBA ARSHAD - Non Executive Director

AUDIT COMMITTEE

ARSHAD ARIF - CHAIRMAN
MISBAH TAHA KANCHWALA
SAMAN FAHIM MEMON

HR COMMITTEE

ARSHAD ARIF - CHAIRMAN
FARZANA ARIF
MISBAH TAHA KANCHWALA

COMPANY SECRETARY

HUMAIRA ARSHAD

CHIEF FINANCIAL OFFICER

SALIM MAYARI

BANKERS

MCB BANK LIMITED

LEGAL ADVISER

SADIA KHATOON (Advocate)

AUDITORS

CLARKSON HYDE SAUD ANSARI
Chartered Accountants.

REGISTERED OFFICE

Suit No.102, 1st Floor, Plot No.18-C
Al Murtaza Commercial, Lane-1
Phase VIII, DHA,
KARACHI.

E-MAIL

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DIRECTORS' REPORT

For the Year Ended December 31, 2023

Globe Textile Mills Limited

The Board of Directors of Globe Textile Mills Limited is pleased to present the Annual Report together with the **condensed financial statements** for the year ended December 31, 2023.

1. Business Review and Current Position

During the year under review, the Company remained engaged in addressing significant legal and contractual matters, primarily stemming from the buyer's non-fulfilment of obligations under the Share Purchase Agreement (SPA). As detailed in Note 9.2 to the **condensed financial statements**, this includes a prolonged dispute involving multiple legal notices, correspondence, and court actions initiated since 2017. The full financial and operational impact, as well as the timeline for resolution, remains uncertain.

Due to these circumstances, the management referred to the audited **condensed financial statements** of the prior year for the opening balances, and it was not considered practicable to determine whether any adjustments may be required. Accordingly, the external auditors issued a disclaimer of opinion on the **condensed financial statements** for the year.

2. Future Outlook

The Board had previously reviewed options for the revival of the Company, with a focus on resuming spinning operations.

During the period, the textile sector continued to face persistent volatility in cotton prices, energy shortages, and high utility tariffs, all of which adversely impacted the prospects of revival. Additionally, prevailing macroeconomic challenges such as inflation, elevated interest rates, and business uncertainty further constrained industrial operations.

Although the Directors remain confident in the viability of the revival plan, the significant accumulated losses, depressed cash flows, and ongoing legal uncertainty have necessitated the preparation of these **condensed financial statements** on a non-going concern basis. Given these conditions, the Board believes the revival plan must remain on hold until a more stable and enabling environment is available.

3. Principal Activities

The Company was originally engaged in the manufacturing and sale of yarn. However, production operations have remained suspended since April 2006, and the Company is now functioning on a minimal scale to manage legal and statutory compliance matters.

4. Financial Highlights

Key financial results for the year ended December 31, 2023, are summarized as follows:

| Particulars | December 31, 2023 | June 30, 2023 |
|-----------------------------------|-------------------|---------------|
| | (Rs. in '000) | (Rs. in '000) |
| Revenue | Nil | Nil |
| Administrative and Other Expenses | (2,985) | (3,263) |
| Net Loss | (2,985) | (3,263) |
| Loss per Share (Basic & Diluted) | (0.18) | (0.20) |

No dividend has been declared in view of the continuing losses.

5. Risk and Uncertainties

The key risks faced by the Company include the outcome of ongoing legal proceedings, as well as uncertainties related to potential liabilities disclosed in Note 9. The Company continues to monitor these developments in consultation with legal advisors.

6. Explanation on Auditor's Report

The auditors have issued a disclaimer of opinion, primarily due to the ongoing legal uncertainties and management's reliance on prior year figures without sufficient audit evidence to verify opening balances or assess potential adjustments in the condensed financial statements.

7. Pattern of Shareholding

The pattern of shareholding as of December 31, 2023, is annexed with this report, as required under the Companies Act, 2017.

8. Holding Company

The Company does not have a foreign or local holding company.

9. Defaults in Debt Payments

No new defaults occurred during the year in relation to any financial liabilities, other than matters under dispute disclosed in Note 9.

10. Internal Financial Controls

In light of the Company's limited operational activity, internal controls over financial reporting are considered appropriate and commensurate with the scope of ongoing functions.

11. Material Changes

There have been no material changes or commitments affecting the Company's financial position between the end of the financial year and the date of this report.

12. Reasons for Loss and Future Outlook

The loss for the year is attributable to ongoing legal matters, administrative expenses, and the Company's non-operational status. Management remains committed to pursuing legal remedies, recovering dues, and exploring future business opportunities if feasible.

13. Environment and CSR

Given the non-operational status of the Company, there has been no environmental impact or corporate social responsibility activity during the year.

14. Employees

The Company had no employees during the year ended December 31, 2023, in line with its non-operational status.

15. Directors

The following individuals served as Directors of the Company during the year:

- Farzana Arif
- Arshad Arif
- Humaira Arshad
- Misbah Taha Kanchwala
- Saman Muhammad Fahim
- Maheen Arif
- Laiba Arshad

16. Remuneration of Directors and CEO

No remuneration, benefits, bonuses, stock options, or incentives were paid to the Chief Executive Officer or Directors during the year. The Company had no executives during the period.

17. Statement of Compliance

The Board confirms that the Company has complied with all applicable provisions of the Companies Act, 2017, to the extent practicable under the circumstances.

On behalf of the Board of Directors

Arshad Arif

Chief Executive Officer

Date: June 16, 2024

Place: Karachi

