



Accounts for the
Half Year Ended
December 31, 2020

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 FINANACIAL 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, 2020

The Company incurred losses before taxation of Rs. (.560) million during the period under review.

The net loss after taxation during the period under review is Rs. (.560) 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 : 17.02.2020

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, 2020 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, 2020.

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: 17.02.2021

Place: Karachi

GLOBE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

		December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
	Note	---- (Rupees in '000') ----	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Plant and equipment	5	<u>2,520</u>	<u>2,800</u>
		2,520	2,800
Current assets			
Due from related party	6	51,093	51,238
Cash and bank balance	7	<u>32</u>	<u>18</u>
TOTAL ASSETS		<u><u>53,645</u></u>	<u><u>54,056</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
20,000,000 (2020: 20,000,000) ordinary shares of Rs. 10/- each		<u><u>200,000</u></u>	<u><u>200,000</u></u>
Issued, subscribed and paid-up			
16,366,351 (2020: 16,366,351) ordinary shares of Rs. 10 each		163,664	163,664
Revenue reserve - Accumulated loss		<u>(111,126)</u>	<u>(110,566)</u>
TOTAL EQUITY		<u><u>52,538</u></u>	<u><u>53,098</u></u>
Current liabilities			
Trade and other payables	8	1,107	958
Contingencies and commitments	9		
TOTAL EQUITY AND LIABILITIES		<u><u>53,645</u></u>	<u><u>54,056</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 (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Half-year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- (Rupees in '000') -----			
Revenue - net	-	-	-	-
Cost of sales	-	-	-	-
Gross profit / (loss)	-	-	-	-
Administrative expenses	(338)	(632)	(169)	(48)
Other expenses	(284)	(410)	(142)	(205)
	(622)	(1,042)	(311)	(253)
Other income	62	14	31	-
Operating loss	(560)	(1,028)	(280)	(253)
Finance cost	-	-	-	-
Loss before taxation	(560)	(1,028)	(280)	(253)
Taxation	-	-	-	-
Loss after taxation	(560)	(1,028)	(280)	(253)
Loss per share - basic and diluted (rupees)	(0.03)	(0.06)	(0.02)	(0.02)

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 (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Half-year ended	
	Dec 31, 2020	Dec 31, 2019
	---- (Rupees in '000') ----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(560)	(1,028)
Adjustments for non cash and other items:		
Depreciation - idle plant	280	410
Loss before working capital changes	<u>(280)</u>	<u>(618)</u>
Decrease in current assets		
Due from related parties	145	375
Increase / (decrease) in current liabilities		
Trade and other payables	149	261
Due to related party	-	(1)
Net cash generated from operating activities	<u>14</u>	<u>17</u>
CASH FLOW FROM INVESTING ACTIVITY	-	-
CASH FLOW FROM FINANCIANG ACTIVITY	-	-
Net increase in cash and cash equivalents	<u>14</u>	<u>17</u>
Cash and cash equivalents at the beginning of the period	<u>18</u>	<u>3</u>
Cash and cash equivalents at the end of the period	<u><u>32</u></u>	<u><u>20</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 (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	<u>Half-year ended</u>		<u>Quarter ended</u>	
	<u>Dec 31,</u> <u>2020</u>	<u>Dec 31,</u> <u>2019</u>	<u>Dec 31,</u> <u>2020</u>	<u>Dec 31,</u> <u>2019</u>
	----- (Rupees in '000') -----			
Loss after taxation	(560)	(1,028)	(280)	(253)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<u>(560)</u>	<u>(1,028)</u>	<u>(280)</u>	<u>(253)</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 CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Issued, subscribed and paid-up capital	Accumulated loss	Total
	----- (Rupees in '000') -----		
Balance as at July 01, 2019 - (Audited)	163,664	(108,297)	55,367
Net loss for the period	-	(962)	(962)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(962)	(962)
Balance as at December 31, 2019 - (Un-audited)	163,664	(109,259)	54,405
Net loss for the period	-	(1,307)	(1,307)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(1,307)	(1,307)
Balance as at June 30, 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 - (Un-audited)	163,664	(111,126)	52,538

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, 2020

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 has been filed before the Honourable court by SECP which is currently pending adjudication. The Company is rigorously defending its position.

As the business activities of the Company were suspended, the Company sold its entire land, building, and significant portion of plant & machinery and in order to pay off its loans/liabilities to the banks and other creditors. As at reporting date, the Company has accumulated loss of Rs. 111.126 million equivalent to 68% of its paid-up capital. Therefore, the condensed interim financial statements of the Company have been prepared on a basis other than going concern 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 above, these condensed 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. '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 six-month period ended December 31, 2020 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, 2020.
- 2.4 The condensed interim financial statements is being submitted to the shareholders as required by the listing regulation of PSX vide section 237 of the Companies Act, 2017.
- 2.5 The figures included in condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the six-months period ended December 31, 2020 and December 31, 2019.

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, 2020.

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 six-months period ended December 31, 2020

There were certain amendments to accounting and reporting standards which became mandatory for the Company's annual accounting period which began on July 1, 2020. 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 do not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these 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, 2020.

		Dec 31, 2020 (Un-audited)	June 30, 2020 (Audited)
5. PLANT AND EQUIPMENT	Note	---- (Rupees in '000') ----	
Plant and equipment	5.1	<u>2,520</u>	<u>2,800</u>

5.1 During the period, there are no additions or disposal in plant and equipment. (June 30, 2020: nil)

		Dec 31, 2020 (Un-audited)	June 30, 2020 (Audited)
6. DUE FROM RELATED PARTY	Note	---- (Rupees in '000') ----	
Chief executive officer	6.1	<u>51,093</u>	<u>51,238</u>

6.1 There is no material change in the status of the above balance as reported in the annual financial statements for the year ended June 30, 2020.

6.2 The maximum amount outstanding calculated with reference to month end balances is Rs. 51.093 (June 30, 2020: 52.273) million.

		Dec 31, 2020 (Un-audited)	June 30, 2020 (Audited)
7. CASH AND BANK BALANCE		---- (Rupees in '000') ----	
Cash in hand		1	1
Cash at bank - current account		<u>31</u>	<u>17</u>
		<u>32</u>	<u>18</u>

8. TRADE AND OTHER PAYABLES

Audit fee	330	304
Central Depository Company of Pakistan Limited	302	302
Pakistan Stock Exchange Limited	416	284
Others	<u>59</u>	<u>68</u>
	<u>1,107</u>	<u>958</u>

9. CONTINGENCIES AND COMMITMENTS

There has been no material change in the status of contingencies and commitments as reported in the annual financial statements for the year ended June 30, 2020.

10. TRANSACTIONS WITH RELATED PARTIES

The related parties include a 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 condensed interim financial statements are as follows:

Related Party	Nature of relationship	Nature of transaction / balance	Dec 31, 2020 Rupees (000)	June 30, 2020 Rupees (000)
Chief executive officer (CEO)	Director	Payment received on behalf of the chief executive officer of the Company	145	1,035

11. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2020.

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, Shahr-e-Faisal,
Karachi.