PAKISTAN HOSIERY MANUFACTURERS & EXPORTERS ASSOCIATION
SOUTH ZONE - KARACHI
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
ASSETS			
Non-Current Assets			
Property and equipment	4	**30,083,756**	31,205,023
Capital work in progress	5	**3,100,000**	-
Long term deposits		**301,775**	301,775
		33,485,531	31,506,798
Current Assets			
Short term investment	6	**72,670,000**	76,170,000
Advances, prepayments and other receivables	7	**22,585,935**	18,510,805
Tax refunds due from government	8	**12,208,762**	11,884,688
Cash and bank balances	9	**84,995,653**	85,213,608
		192,460,350	191,779,101
Total Assets		**225,945,881**	223,285,899
FUND AND LIABILITIES			
Funds			
General		**182,442,207**	181,296,171
PHMA house maintenance		**13,273,610**	13,273,610
Industrial contribution		**12,478,900**	12,093,900
Members contribution for GIDC matter		**1,356,180**	1,356,180
Video conference system (BFZ)		**1,692,134**	1,692,134
PHMA solar system upgradation		**2,050,000**	2,050,000
Electric appliances		**1,500,000**	1,500,000
		214,793,031	213,261,995
Non-Current Liabilities			
Gratuity payable	10	**9,031,500**	7,902,900
Current Liabilities			
Accrued expenses	11	**55,836**	55,490
Other payables	12	**2,065,514**	2,065,514
		2,121,350	2,121,004
Contingencies and commitments	13		
Total Funds and Liabilities		**225,945,881**	223,285,899

The annexed notes from 1 to 16 form an integral part of these financial statements.

Chairman ***Zonal Secretary***

PAKISTAN HOSIERY MANUFACTURERS & EXPORTERS ASSOCIATION
SOUTH ZONE - KARACHI
STATEMENT OF RECEIPTS AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2026

	Note	**2026 Rupees**	2025 Rupees
RECEIPT			
Subscription and registration		**15,852,040**	16,630,860
Service charges		**3,642,950**	9,785,725
Profit on Islamic Investment Certificates		**12,537,017**	14,996,093
Forex rate fee		**436,500**	477,000
Fair, exhibition contribution received		**107,800**	-
Receipts from IKTK		**1,500,000**	-
		34,076,307	41,889,678
EXPENDITURE			
Salaries and other benefits		**15,014,010**	12,279,219
Gratuity expense		**3,028,600**	2,606,350
Travelling and conveyance		**1,020,147**	936,240
Bank charges		**17,022**	28,881
Meeting expenses		**370,290**	1,222,330
Printing and stationary		**351,035**	373,110
Utilities		**2,094,880**	2,036,146
Vehicles running and maintenance		**378,270**	220,700
Postage and courier		**117,475**	85,075
Entertainment		**1,369,673**	1,017,529
Newspapers and periodicals		**104,610**	91,725
Property tax		**124,402**	124,400
Repairs and maintenance		**339,630**	235,240
Petrol expense		**198,970**	142,500
Annual service charges		**247,125**	307,367
Fair, exhibition expense		**-**	2,405,700
Espire promotion training		**156,660**	260,860
Medical expense		**64,350**	143,585
Vehicle tax		**3,305**	3,000
Zakat		**20,000**	20,000
Generator expense		**197,380**	51,710
Uniform expense		**105,660**	47,850
Loss on disposal of property and equipment		**21,918**	-
Computer expense		**311,659**	308,273
Fees and subscription		**49,868**	578,361
Depreciation	4	**2,143,859**	2,341,292
Advertisement		**310,600**	523,825
Contribution to central office		**3,038,640**	2,042,090
Forex rate expense		**180,000**	180,000
Tax refunds written off		**1,015,440**	-
Miscellaneous		**534,793**	709,963
		32,930,271	31,323,321
Excess of receipts over expenditure		**1,146,036**	10,566,357

The annexed notes from 1 to 16 form an integral part of these financial statements.

Chairman

Zonal Secretary

PAKISTAN HOSIERY MANUFACTURERS & EXPORTERS ASSOCIATION
SOUTH ZONE - KARACHI
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund	*PHMA House Maintenance Fund*	*Industrial Contribution Fund*	*Members Contribution for GIDC Matter*	*Funds for Video Conference System (BFZ)*	*PHMA Solar System Upgradation*	*Fund for Electric Appliances*	*Total*
	Rupees							
Balance as at June 30, 2024	170,729,814	14,200,000	13,004,900	1,356,180	1,692,134	2,050,000	1,500,000	204,533,028
Received	-	25,500	2,461,000	-	-	-	-	2,486,500
Payments	-	(951,890)	(3,372,000)	-	-	-	-	(4,323,890)
Excess of receipts over expenditure for the year ended June 30, 2025	10,566,357	-	-	-	-	-	-	10,566,357
Balance as at June 30, 2025	**181,296,171**	**13,273,610**	**12,093,900**	**1,356,180**	**1,692,134**	**2,050,000**	**1,500,000**	**213,261,995**
Received	**-**	**-**	**7,850,000**	**-**	**-**	**-**	**-**	**7,850,000**
Payments	**-**	**-**	**(7,465,000)**	**-**	**-**	**-**	**-**	**(7,465,000)**
Excess of receipts over expenditure for the year ended June 30, 2026	**1,146,036**	**-**	**-**	**-**	**-**	**-**	**-**	**1,146,036**
Balance as at June 30, 2026	**182,442,207**	**13,273,610**	**12,478,900**	**1,356,180**	**1,692,134**	**2,050,000**	**1,500,000**	**214,793,031**

The annexed notes from 1 to 16 form an integral part of these financial statements.

Chairman (SZ)

Zonal Secretary

PAKISTAN HOSIERY MANUFACTURERS & EXPORTERS ASSOCIATION
SOUTH ZONE - KARACHI
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	2026 Rupees	2025 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of receipts over expenditure	**1,146,036**	10,566,357
Adjustments for:		
Depreciation	**2,143,859**	2,341,292
Profit on Islamic Investment Certificates	**(12,537,017)**	(14,996,093)
Loss on disposal of property and equipment	**21,918**	-
Gratuity charge for the year	**3,028,600**	2,628,350
Tax refunds written off	**1,015,440**	-
Cash (used in) / generated changes in working capital	**(5,181,164)**	539,906
Change in working capital		
(Increase) / decrease in current assets		
Advances, prepayments and other receivables	**(3,418,705)**	(3,763,866)
Increase / (decrease) in current liabilities		
Accrued expenses	**346**	(1,208,104)
Other payables	**-**	-
	(3,418,359)	(4,971,970)
Cash used in operations	**(8,599,523)**	(4,432,064)
Payment of gratuity	**(1,900,000)**	(1,732,000)
Taxes paid	**(1,339,515)**	(1,544,572)
Net cash used in operating activities	**(11,839,038)**	(7,708,636)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in property and equipment	**(1,101,440)**	(6,367,940)
Solar plates purcahsed	**(3,000,000)**	
Advance against purchase of software	**(100,000)**	-
Proceeds from disposal of property and equipment	**56,930**	-
Investment in Islamic Investment Certificates	**(1,204,350,000)**	(76,170,000)
Encashment of Islamic Investment Certificates	**1,207,850,000**	76,000,000
Profit received on Islamic Investment Certificates	**11,880,593**	13,994,050
Net cash generated from investing activities	**11,236,083**	7,456,110
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Industrial Contribution Fund - receipts	**7,850,000**	2,461,000
Industrial Contribution Fund - payments	**(7,465,000)**	(3,372,000)
PHMA House Maintenance Fund - receipts	**-**	25,500
PHMA House Maintenance Fund - payments	**-**	(951,890)
Net cash generated from / (used in) financing activities	**385,000**	(1,837,390)
Net decrease in cash and cash equivalents (A+B+C)	**(217,955)**	(2,089,916)
Cash and cash equivalents at the beginning of the year	**85,213,608**	87,303,524
Cash and cash equivalents at the end of the year	**84,995,653**	85,213,608

The annexed notes from 1 to 16 form an integral part of these financial statements.

Chairman ***Zonal Secretary***

PAKISTAN HOSIERY MANUFACTURERS & EXPORTERS ASSOCIATION
SOUTH ZONE - KARACHI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

1 LEGAL STATUS AND OBJECTIVE

Pakistan Hosiery Manufacturers & Exporters Association (PHMA) is a registered trade organization incorporated in July 07, 1960 under the Companies Act, 1913 (Now Companies Act, 2017), licensed by the Directorate General of Trade Organizations, Ministry of Commerce, Government of Pakistan under Trade Organizations Ordinance 2007 (Now Trade Organization Act 2013) . The registered office is situated at PHMA House 37-H, Block-6, P.E.C.H.S Karachi. PHMA has established zonal offices in Karachi, Lahore, Faisalabad and Sialkot. Karachi Zone is called as PHMA Southern zone and other zones are collectively called as Northern Zone. The main objectives of PHMA is to promote, develop, protect, stimulate and encourage the Hosiery Industry including all relevant products and services to raise standard of its production and enhance exports.

2 BASIS OF PRESENTATION

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention, except as otherwise disclosed. Further, accrual basis of accounting has been followed except for as disclosed in relevant policies stated here under.

2.2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of:

- International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Accounting Standard for Not for Profit Organization (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, or the Accounting Standard for NPOs the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.3 Functional and presentation currency

These financial statements are presented in Pak rupees, which is the functional and presentation currency of the association.

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Property and equipment

Property and equipment have been stated at cost less accumulated depreciation. Minor renewals, replacements, maintenance and repairs are charged to income. Major repairs and improvements are capitalized. Depreciation is calculated by applying the rates stated in the property and equipment note. Depreciation on addition to property and equipment is charged for the whole year in which an asset is acquired or capitalized while no depreciation is charged on the asset in the year of disposal. Gain or loss, if any, on disposal of property and equipment is included or charged to receipts as gain / (loss) on disposal of property and equipment.

3.2 Stock

These represent stock of various forms and certificates to be issued by PHMA and have been valued at average cost.

3.3 Short term investment

Investments in Islamic Investment Certificates are measured at amortized cost using the effective interest method.

3.4 Income

Income except for interest on bank deposits and profit on Islamic Investment Certificates has been recognized on receipt basis. Interest on bank deposits is accounted for net of withholding tax.

However in case sale of export forms income is recognized net of cost of forms.

3.5 Cash and cash equivalent

Cash and cash equivalent are carried in the statement of financial position at cost. For the purposes of statement of cash flows, cash and cash equivalent comprises of cash in hand and balance with banks.

3.6 Provision for gratuity

Association operates unfunded gratuity for its employees who have completed the minimum qualifying period of one year of service. At the end of the each year Management make a provision equal to prevailing salary in the last month of financial year multiply by number of year of service completed by each employee.

Provision of the current salary charged in the current service cost and the effect of increased salary is charged to past service cost under the head gratuity payable for the current year.

4 PROPERTY AND EQUIPMENT

Description	Written Down Value As at July 01, 2025	Addition / (Deletion)	Depreciation	As at June 30, 2026	Rate %
	- - - - - - - - - - Rupees	- - - - - - - - - -	- - - - - - - - - -	- - - - - - - - - -	
Land	10,000,000	-	-	10,000,000	0%
Office building on land	11,360,380	-	568,019	10,792,361	5%
Furniture and fixtures	488,097	120,100	60,820	547,377	10%
Office equipment	682,788	277,910 (21,918)	93,878	844,902	10%
Electric equipment	110,097	141,350 (10,000)	24,145	217,302	10%
Computers	360,558	200,500 (18,930)	162,638	379,490	30%
Vehicles	4,351,396	63,700	883,019	3,532,077	20%
Solar System	1,383,963	-	69,198	1,314,765	5%
Split unit	814,216	122,380 (28,000)	90,860	817,736	10%
Generator	323,943	76,000	39,994	359,949	10%
Telephone and mobiles	83,790	-	16,758	67,032	20%
PHMA office lift	660,858	55,000	71,586	644,272	10%
Video Conferencing system	584,937	44,500 -	62,944	566,493	10%
June 30, 2026	**31,205,023**	**1,101,440** **(78,848)**	**2,143,859**	**30,083,756**	
June 30, 2025	27,178,375	6,383,440 (15,500)	2,341,292	31,205,023	

	Note	2026 Rupees	2025 Rupees

5 CAPITAL WORK IN PROGRESS

	Note	2026 Rupees	2025 Rupees
Solar plates	5.1	**3,000,000**	-
Advance against acqsuition of software		**100,000**	-
		3,100,000	-

5.1 This represents solar plates purchased which are not installed at the year end.

6 SHORT TERM INVESTMENT

	Note	2026 Rupees	2025 Rupees
Certificates of Islamic Investment	6.1	**72,670,000**	76,170,000

6.1 This represents investments in Islamic Investment Certificates having maturity of less than twelve months.

7 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

	2026 Rupees	2025 Rupees
Advances		
To staff	**83,500**	-
Prepayments		
Against subscriptions	**13,220**	49,648
Other receivables		
PHMA IKTK	**242,144**	1,996,635
PHMA Central	**20,588,603**	15,462,479
Profit receivable on investment	**1,658,468**	1,002,043
	22,489,215	18,461,157
	22,585,935	18,510,805

8 TAX REFUNDS DUE FROM GOVERNMENT

	2026 Rupees	2025 Rupees
Opening	**11,884,688**	10,340,116
Add: tax paid during the year	**1,339,515**	1,544,572
Less: written off	**(1,015,441)**	-
	12,208,762	11,884,688

9 CASH AND BANK BALANCES

	2026 Rupees	2025 Rupees
Cash in hand	**2,857**	4,020
Cash at bank		
- In current account	**84,992,796**	85,209,588
	84,995,653	85,213,608

10 GARTUITY PAYABLE

	2026 Rupees	2025 Rupees
Opening	**7,902,900**	7,006,550
Add: charged during the year	**3,028,600**	2,628,350
	10,931,500	9,634,900

Less: paid during the year	**(1,900,000)**	(1,732,000)
Closing	**9,031,500**	7,902,900

	2026	*2025*
	Rupees	*Rupees*

11 ACCRUED EXPENSES

Utilities payable	**55,836**	55,490

12 OTHER PAYABLES

Town association	**1,915,514**	1,915,514
Donation industrial assignment	**150,000**	150,000
	2,065,514	2,065,514

13 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments at the statement of financial position date (2025: nil).

14 NUMBER OF EMPLOYEES

	2026	*2025*
Total employees at the year end	**12**	12
Average employees during the year	**12**	12

15 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on ____________________ by the Managing committee of the Association.

16 GENERAL

The figures have been rounded off to the nearest of rupee.

______________________ ______________________________

Chairman ***Zonal Secretary***