



**INSIGHT SECURITIES (PRIVATE) LIMITED**

Financial Statements

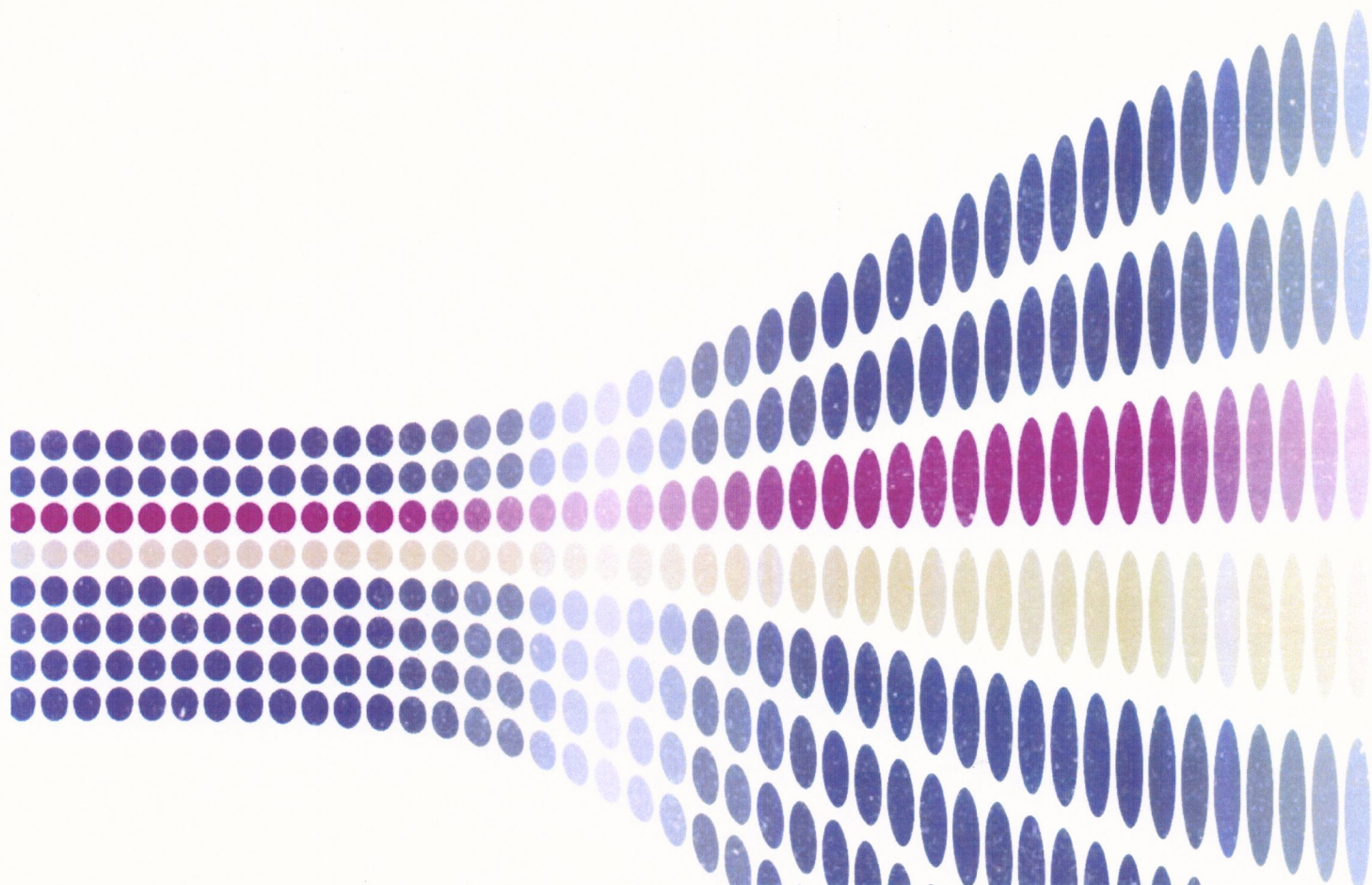
*For the year ended June 30, 2024*



**Grant Thornton**

**Grant Thornton Anjum Rahman**

*Chartered Accountants*



## DIRECTORS REPORT

On behalf of the Board of Directors of the company, it gives me immense pleasure to present the Annual Report together with audited financial statements of the Company for the year ended June 30, 2024.

### **Economic Overview**

Pakistan's economy has shown signs of stabilization in FY24, with inflation easing, a primary fiscal surplus, a controlled current account deficit, and a stable exchange rate. On the real economy side, the agriculture sector has performed exceptionally well, while large-scale manufacturing is poised for growth. As the year progressed, Pakistan's Balance of Payments stabilized with a series of Current Account Surpluses that were primarily led by a healthy growth in remittances and drop in imports as the economic slowdown persisted. The country's total foreign exchange reserves increased to USD14 billion at the year end, from USD9.2 billion on June 30, 2023.

In FY'24 the current account deficit narrowed to \$0.7bn, down from \$3.3bn the previous year. The country's GDP grew by 2.52% in the financial year 2023-2024 as compared to -0.2% last year. The agriculture sector, in particular, was a key driver of this growth, Agriculture grew by 6.3%, Services and industrial sector witness a paltry increase of 2.16% and -4.57% respectively.

### **Market Overview**

The stock market witnessed exuberance in fiscal year 2024, as the benchmark KSE-100 increased by staggering 89.2% or 36,992 points, to close at the all-time high of 78,445 points. This also makes Pakistan the best performing market in the world with USD return of 94.4% in the year. With improved investor confidence, market turnover increased significantly as average daily volumes climbed up to 460.2 million shares and average daily value traded to PKR15.6 billion from 191 million shares and PKR6.1 billion, respectively of the previous year. Foreign investors bought equities worth USD124.2 million during the period under review where most of the local participants opted to book profits except insurance companies, and companies who were net buyers during the year under review.

Sector wise performance, Power, Banks and Fertilizer sector reported strong returns driven by dividend plays and cheaper valuations while E&Ps performance also reflected improved cash flows. Power generation achieved a return of 119% in FY24, followed by Banks, E&Ps and Fertilizer with robust annual returns of 115%, 73% and 65% respectively. Technology sector had a negative return in the period under review.



### Company's Financial Overview

The Company posted operating revenue of Rs. 104.06mn during the period under review as compared to last year's Rs. 39.9mn. Before and after-tax (loss)/profit stood at Rs. 302.2mn and Rs. 272.6mn respectively, as compared to last year of Rs. (38.6)mn and (44.3)mn respectively. The equity of the Company as at the balance sheet date is Rs. 665.6mn (June 2023: Rs. 393.1mn), which translates into book value per share of Rs. 55.47 (June 30, 2023: Rs. 32.76).

	2024	2023 (Restated)
	Rupees	Rupees
Operating Revenue – net	104,069,113	39,982,768
Profit / (Loss) before tax	302,226,829	(38,618,444)
Profit / (Loss) after tax	272,654,715	(44,389,426)
Earning / (Loss) per share	22.72	(3.69)

Broking operations have posted a total revenue of Rs. 104.06mn in FY24, which is 160.28% when compared with FY23. Institutional and retail revenues increased by 110.39% and 226.90% respectively. On the other hand, operating and administrative have been increased by 85.27%.

### Management Rating

The Company has been reaffirmed a management rating of BMR2 by the VIS Credit Rating Company Limited (VIS). The outlook on the assigned ratings is 'Stable'. The rating signifies strong compliance and risk management and sound external control, HR & infrastructure and financial management.

### Entity Rating

The Company has been reaffirmed entity ratings of 'BBB+/A-2' (Triple B Plus/A-Two) by VIS Credit Rating Company Ltd. (VIS). The outlook on the assigned ratings is 'Stable'. This certification defines Adequate credit quality, Protection factors are reasonable and protected, Liquidity factors and company fundamentals are sound provides further confidence to the company's clientele with regards to the credibility and stability of the company.

### Future Prospects

Overall direction of Pakistan' macroeconomic indicators is quite positive with receding international commodities prices including food and energy prices providing the much need cushion, SBP has continued with its monetary easing stance and it seems like we would be seeing a few more rounds of interest rate cuts in the current fiscal years. The Management feels that equity market is currently at an extremely attractive level and coupled with the recent approval of IMF program, the market is only set to rejoice, contributing to a better equity return for FY25. This would reflect positively on the pure agency business which is primarily equities broking.

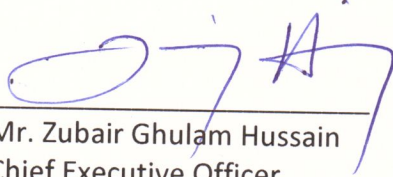
**Recommendation**

The directors have not recommended any payout due, as the capital would be used for future expansion purposes.

**Auditors**

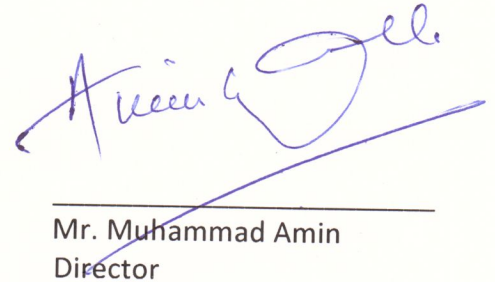
The auditors M/s. Grant Thornton Anjum Rahman., Chartered Accountants have retired and being eligible offer themselves for reappointment.

Karachi the: October 3, 2024



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Mr. Zubair Ghulam Hussain  
Chief Executive Officer



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Mr. Muhammad Amin  
Director

## CORPORATE GOVERNANCE

### BOARD OF DIRECTORS

An effective board established comprising of 03 directors, responsible for ensuring long-term success and for monitoring and evaluating the managements performance. The composition of board is as follows:

Mr. Zubair Ghulam Hussain	Executive Director
Mr. Muhammad Amin	Non-Executive Director
Mrs. Munira Ghulam Hussain	Non-Executive Director

### BOARD RESPONSIBILITIES, POWERS AND FUNCTION

Each member of the Board is fully aware of the responsibilities as an individual member as well as the responsibilities of all members together as a board. The Board actively participates in all major decisions of the Company including but not limited to approval of capital expenditure budgets, investments, related party transactions and appointment of key personnel. The Board also monitors the Company's operations by approval of financial statements, review of internal and external audit observations, if any and recommendation of dividend. The Board has devised formal policies for conducting business and ensures their monitoring through an independent outsourced Internal Auditors which continuously monitors adherence to Company Policies.

The following policies has approved by the board.

- Internal Code of Conduct
- Whistleblower Policy
- Customer Complaint, Grievances & Conflict Resolution Policy
- Risk and Compliance Policy
- Segregation of Customer Assets from Securities Broker Assets.

### BOARD MEETINGS

The meeting of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements



of Act and the Regulations with respect to frequency, recording and circulating minutes of board.



## COMMITTEES OF BOARD

The board has formed following committees and their Term of References.

- Audit Committee
- Investment Committee

## RELATED PARTY TRANSACTION

The Company has provided detailed information on related party transactions in its financial statements annexed to this Annual Report. This disclosure complies with the requirements of Companies Act, 2017 and the relevant International Financial Reporting Standards.

## AUDITORS

The company is registered as Trading and Self Clearing category of Securities broker under Securities Broker Licensing and Operations 2016 and appointed Grant Thornton Anjum Rahman as their external auditor which are enlist within "A" category of State Bank of Pakistan's Panel of Auditors.

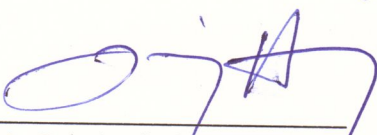
## COMPLIANCE STATEMENT

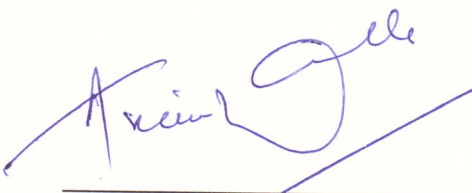
We hereby confirm that there are no transactions entered into by the Insight Securities during the year 2023 - 2024, which are fraudulent, illegal or in violation of any securities market laws.

## COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We confirm that the company is in compliance with the Code of Corporate Governance required under Securities Broker Licensing and Operations 2016.

Karachi the: **October 3, 2024**

  
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Mr. Zubair Ghulam Hussain  
Chief Executive Officer

  
\_\_\_\_\_  
Mr. Muhammad Amin  
Director

## INDEPENDENT AUDITOR'S REPORT

To the members of **Insight Securities (Private) Limited**

Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of **Insight Securities (Private) Limited** (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

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**Grant Thornton Anjum  
Rahman**

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Karachi, Pakistan.

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with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements



or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) the Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and the relevant requirements of the securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared.

The engagement partner on the audit resulting in this independent auditor's report is **Khurram Jameel**.



Chartered Accountants  
Karachi

Dated: October 04, 2024

UDIN: AR202410093IXPUE6xdZ

**INSIGHT SECURITIES (PRIVATE) LIMITED**  
**Financial Statements**  
**For the year ended June 30, 2024**



INSIGHT SECURITIES (PRIVATE) LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2024

		2024	(Restated) 2023
	Note	-----Rupees-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	24,339,658	20,293,771
Intangible assets	6	3,833,332	3,566,666
Long term deposits	7	1,695,826	1,695,826
		29,868,816	25,556,263
<b>Current assets</b>			
Trade debts	8	225,467,933	69,677,772
Trade deposit and short term prepayments	9	83,273,481	17,164,468
Loans and other receivables	10	9,189,154	3,733,182
Short term investments	11	606,536,392	329,930,452
Taxation and levies - net	16	3,135,702	9,201,621
Cash and bank balances	12	120,490,119	33,242,691
		1,048,092,781	462,950,186
<b>Total Assets</b>		<b>1,077,961,597</b>	<b>488,506,449</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized Share Capital			
12,000,000 (2023: 12,000,000) ordinary shares of Rs.10 each		120,000,000	120,000,000
Issued, subscribed and paid-up share capital	13	120,000,000	120,000,000
Unappropriated profit		545,681,442	273,163,757
<b>Total shareholders' equity</b>		<b>665,681,442</b>	<b>393,163,757</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred liabilities	14	17,381,273	4,741,638
<b>Current liabilities</b>			
Trade and other payables	15	394,898,882	90,601,054
<b>Total shareholders' equity and liabilities</b>		<b>1,077,961,597</b>	<b>488,506,449</b>
<b>Contingencies and Commitments</b>			
	17		

The annexed notes 1 to 30 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER


  
DIRECTOR

**INSIGHT SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

		2024	(Restated) 2023
	Note	-----Rupees-----	
Operating revenue - net	18	104,069,113	39,982,768
Unrealized gain / (loss) on re-measurement of investments at fair value through profit or loss - net	11.1	91,254,683	(57,988,266)
Operating and administrative expenses	19	(93,629,958)	(50,537,991)
Impairment loss on trade debts	8.1	(1,298,468)	(982,748)
		<u>100,395,370</u>	<u>(69,526,237)</u>
Other income	20	201,955,166	30,992,713
Finance cost		(123,707)	(84,920)
<b>Profit / (loss) before levies and taxes</b>		<u>302,226,829</u>	<u>(38,618,444)</u>
Levies - Final and Minimum tax		(9,795,406)	(5,426,348)
Taxation	21	(19,776,708)	(344,634)
<b>Profit / (loss) for the year</b>		<u><u>272,654,715</u></u>	<u><u>(44,389,426)</u></u>

The annexed notes 1 to 30 form an integral part of these financial statements.

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**CHIEF EXECUTIVE OFFICER**

  
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**DIRECTOR**



**INSIGHT SECURITIES (PRIVATE) LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2024**

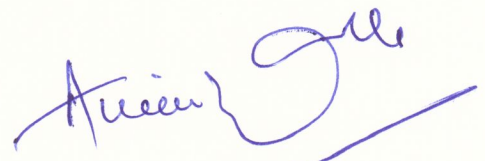
	2024	(Restated) 2023
	-----Rupees-----	
<b>Profit / (loss) for the year</b>	272,654,715	(44,389,426)
<b>Other comprehensive income :</b>		
<i>Items that may be reclassified subsequently to statement of profit or loss</i>		
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>		
(Loss) / gain on remeasurement of defined benefit obligations - net of tax	(137,030)	2,574,406
<b>Other comprehensive (loss) / income</b>	(137,030)	2,574,406
<b>Total comprehensive income / (loss) for the year</b>	<u>272,517,685</u>	<u>(41,815,020)</u>

The annexed notes 1 to 30 form an integral part of these financial statements.

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**CHIEF EXECUTIVE OFFICER**



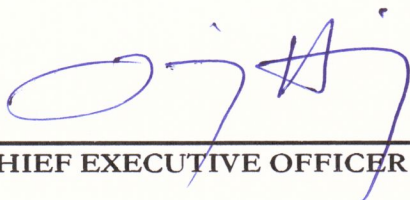
**DIRECTOR**

INSIGHT SECURITIES (PRIVATE) LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2024

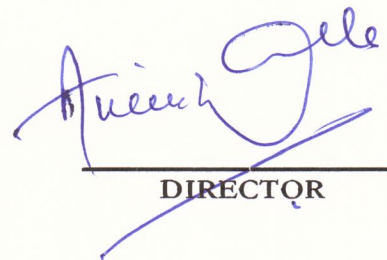
	Issued, subscribed and paid-up share capital	Unappropriated profit	Total shareholders' equity
	-----Rupees-----		
Balance as at July 01, 2022	120,000,000	313,343,496	433,343,496
Effect of restatement - refer note 2.4.2	-	1,635,281	1,635,281
<b>Balance as at July 01, 2022 - Restated</b>	<b>120,000,000</b>	<b>314,978,777</b>	<b>434,978,777</b>
Loss for the year - Restated	-	(44,389,426)	(44,389,426)
Other comprehensive income - Restated	-	2,574,406	2,574,406
Total comprehensive loss	-	(41,815,020)	(41,815,020)
<b>Balance as at June 30, 2023 - Restated</b>	<b>120,000,000</b>	<b>273,163,757</b>	<b>393,163,757</b>
<b>Balance as at July 01, 2023</b>	<b>120,000,000</b>	<b>273,163,757</b>	<b>393,163,757</b>
Profit for the year	-	272,654,715	272,654,715
Other comprehensive loss	-	(137,030)	(137,030)
Total comprehensive income	-	272,517,685	272,517,685
<b>Balance as at June 30, 2024</b>	<b>120,000,000</b>	<b>545,681,442</b>	<b>665,681,442</b>

The annexed notes 1 to 30 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



DIRECTOR





INSIGHT SECURITIES (PRIVATE) LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 -----Rupees-----	(Restated) 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (loss) before levies and taxes		302,226,829	(38,618,444)
<b>Adjustments for non-cash items:</b>			
Depreciation		4,197,858	3,637,500
Amortization of intangible assets		400,000	266,666
Loss on sale of property and equipment		13,598	-
Unrealized gain / (loss) on re-measurement of investments at fair value through profit or loss - net		(91,254,683)	57,988,266
Realized (gain) / loss on sale of investments		(150,704,173)	1,137,093
Allowance for expected credit loss		1,298,468	982,748
Gain on foreign currency transactions		(33,235)	(5,941)
Dividend income		(29,448,835)	(21,118,046)
Provision of gratuity expense		1,715,990	1,973,775
Finance Cost		123,707	84,920
		<u>(263,691,305)</u>	<u>44,946,981</u>
<b>Operating cash flows before changes in working capital</b>		<b>38,535,524</b>	<b>6,328,537</b>
<b>Decrease/(Increase) in current assets</b>			
Trade debts		(157,088,629)	(47,781,945)
Trade deposits and short-term prepayments		(66,109,013)	8,054,212
Loans and other receivables		(5,422,737)	(977,028)
<b>(Decrease) / Increase in current liabilities</b>			
Trade and other payables		304,297,828	14,456,389
		<u>75,677,449</u>	<u>(26,248,372)</u>
<b>Net cash generated from / (used in) operations</b>		<b>114,212,973</b>	<b>(19,919,835)</b>
Income tax and levies paid		(12,719,580)	(6,649,335)
Finance Cost paid		(123,707)	(84,920)
<b>Net cash generated from / (used in) operating activities</b>		<b>101,369,686</b>	<b>(26,654,090)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Property and equipment		(8,282,343)	(49,000)
Intangible asset - net		(666,666)	(1,333,332)
Proceeds from disposal of property and equipment		25,000	762,313
Dividend received		29,448,835	21,118,046
Short term investments - net		(34,647,084)	(25,834,812)
<b>Net cash used in investing activities</b>		<b>(14,122,258)</b>	<b>(5,336,785)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>87,247,428</b>	<b>(31,990,875)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>33,242,691</b>	<b>65,233,566</b>
<b>Cash and cash equivalents at the end of the year</b>	12	<b>120,490,119</b>	<b>33,242,691</b>

The annexed notes 1 to 30 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

  
DIRECTOR