GROWTH SECURITIES (PRIVATE) LIMITED
UNAUDITED HALF YEARLY FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2020

GROWTH SECURITIES (PVT) LTD.

Room # 82 83, Second Floor, Stock Exchange Building, I.I. Chundrigar Road, Karachi-74000.
Ph: (92-21) 32463002-04 http://www.growthsecurities.com.pk
E-mail: info@growthsecurities.com.pk
Trading Right Entitlement Certificate Holder of Pakistan Stock Exchange Limited
(Formerly: Karachi Stock Exchange Limited)

DIRECTORS REPORT TO THE SHAREHOLDERS
FOR THE HALF YEAR ENDED December 31, 2020

Your Directors are pleased to place before you half yearly Report along with the un audited accounts of the company for the half year ended December 31, 2020. The working results of the company for the said period are given as under:

Total Income	Rs. 131,632,432
Operating expenses	Rs (22,892,368)
Profit before taxation	Rs. 108,740,064
Taxation	Rs (170,259)
Profit after taxation	Rs. 108,569,805

On behalf of the board
For Growth Securities (Private) Ltd.

Chief Executive Officer
Mohammad Shahid

Karachi
January 18, 2021

GROWTH SECURITIES (PRIVATE) LIMITED
BALANCE SHEET
AS AT December 31, 2020

	Note	2020 Rupees
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVE		
Authorized Share Capital		
10,000,000 Ordinary shares of Rs. 10/- each		**100,000,000**
Issued, Subscribed and Paid up Share Capital		
10,000,000 (2016: 10,000,000) Ordinary shares of Rs. 10/- each	3	100,000,000
Unappropriated profit		396,195,245
		496,195,245
Capital reserves		-
		496,195,245
Non - Current Liabilities		
Loan from director		92,800,000
Current Liabilities		
Creditors, accrued and other liabilities	4	83,676,466
Short term loan from director		-
Bank overdraft	12.1	142,165,558
		814,837,269
ASSETS		
Non - Current Assets		
Property, plant and equipment		29,352,506
Intangible	5	2,500,000
Investment in PIBs	6	899,146
Long term deposits	7	1,500,000
Current Assets		
Trade debts (including Margin Finance Amount)	8	48,836,217
Advances, deposits, prepayments and other receivables	9	120,059,928
Loans and advances	10	1,211,000
Investment	11	590,602,595
Investment in MCB Cash Management		-
Cash and bank balances	12	19,875,877
		814,837,269

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

Chief Executive Officer

Director

GROWTH SECURITIES (PRIVATE) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED December 31, 2020

	Note	2020 Rupees
Commission income		11,574,085
Operating expenses	13	(21,777,677)
Operating (loss)		**(10,203,592)**
Financial and other charges	14	(1,114,691)
Other income	15	120,058,347
Profit before taxation		**108,740,065**
Taxation		
- Current		(425,745)
- Prior		255,486
		(170,259)
Profit for the year		**108,569,806**
Earnings per share	16	10.86

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

Chief Executive Officer

Director

1. NATURE OF BUSINESS AND OPERATIONS

1.1 The Company was incorporated in Pakistan on February 24, 2005 as a Private Company limited by shares under the Companies Ordinance, 1984. The registered office of the Company is situated at Room No. 82 to 83, 2nd Floor, Stock Exchange Building, Stock Exchange Road, Karachi. The principal activities of the company is to carry on the business of stock, brokerage, underwriting and investment etc.

1.2 The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 **Accounting Convention**

These financial statements have been prepared under the ' **historical cost convention**'.

The preparation of these financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The estimates / judgments and associated assumptions used in the preparation are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates / judgements / assumptions will, by definition, seldom equal the related actual results. The estimates / judgements and associated assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in period of revision and future periods if the revision affects both current and future periods.

2.2 **Statement of Compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Company Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) as are notified under the provisions of the Company Ordinance, 1984. Wherever the requirements of the Company Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Company Ordinance, 1984 or the requirements of the said directives shall prevail.

2.3 **Taxation**

Current
Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, in accordance with the provisions of the Income Tax Ordinance, 2001.

2.4 **Trade and other Debts**

Trade and other debts are carried at original invoice amount. Debts considered irrecoverable are written off and provision is made against those considered doubtful of recovery.

2.5 **Trade and Other Payables**

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

2.6 **Provisions**

Provisions are recognised in the balance sheet when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.7 **Cash and Cash Equivalents**

Cash and cash equivalents comprises cash balances and bank deposits. Cash and cash equivalents are carried in the balance sheet at cost.

2.8 **Revenue Recognition**

Sales and purchases of securities are recognized on the date of contract. Capital gain or loss on sale of marketable securities is taken to income in the period in which it arises.

Brokerage and other income is accrued as and when due.

2.9 **Investments**

Investment at fair value through profit or loss
Investment classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. At subsequent dates these investment are measured at fair value with any resulting gains or losses recognized directly in the profit and loss account. The fair value of such investment is determined on the basis of prevailing market prices.

Available for sale
Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale.

2.10 **Financial Instruments**

All the financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. All the financial assets are derecognized at the time when the company loses control of the contractual right that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to profit and loss account, currently.

3. **SHARE CAPITAL**

Authorized Share Capital

Number of Shares		2020 Rupees
12-Jul-05		
10,000,000	Ordinary shares of Rs.10/- each	100,000,000

Issued, Subscribed and Paid-up Share Capital

3.1 **Pattern of shareholding**

Name of Shares holders	Percentage	Number of Shares
- Muhamamd Shahid	51.000%	5,100,000
- Muhamamd Iqbal	48.995%	4,899,500
Zeeshan	0.005%	500
	100%	10,000,000

4. CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors	14,746,422
Accrued expenses and other payable	12,015,440
Payable NCCPL	55,182,444
Other Liabilities:	
- Sindh sales tax and withholding tax	1,732,160
	83,676,466

5. INTANGIBLE	Note	2020 Rupees
Trading rights entitlement certificates	5	2,500,000
		2,500,000

5 Pakistan Stock Exchange Limited vide their letter dated 08 August 2017 has determined value of Pakistan Stock Exchange Limited Trading Rights Entitlement Certificate for base minimum capital purpose amounting to Rs. 2.5 million.

6. INVESTMENT IN PIBS	Note	2020 Rupees
Investment in Pakistan Investment Bond securities		899,146
		899,146

7. LONG TERM DEPOSITS	Note	2020 Rupees
CDC deposit		100,000
NCCPL deposit		1,200,000
PSX deposit		200,000
		1,500,000

8. TRADE DEBTS

	-
Debtors Unsecured - considered good	27,890,772
Receivables against margin finance	20,945,445
	48,836,217

9. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advance tax	31,410,596
Deposit into NCCPL against exposure	86,696,319
Deposit against sale of PSX Shares	-
PSX deposit BMC maintenance	-
Prepayments/Staff Advance	75,000
Dividend receivable	62,263
Receivable from PSX/NCCPL	-
Other receivables	1,815,750
	120,059,928

10. LOANS AND ADVANCES

Staff loan	1,211,000
	1,211,000

11. INVESTMENT - fair value through profit and loss

Investment in listed securities	590,602,595	
	-	Inves
	590,602,595	

12. CASH AND BANK BALANCES

Cash in hand	31,148
Cash at banks:	
- Current accounts	2,814,006
- Saving accounts	17,030,723
	19,875,877

12.1

12.2 Bank Overdraft	142,165,558

13. OPERATING EXPENSES

	Note	2020 Rupees
Salaries, wages and benefits	*13.1*	17,811,292
Repair and maintenance		277,115
Fuel, Traveling and conveyance		244,044
Utility charges		540,655
Entertainment		680,266
KSE charges		190,729
Printing and stationery		97,545
Professional charges		259,312
Computer and software expenses		1,114,606
Annual Membership and other Fees		40,000
Miscellaneous expenses		103,773
Insurance Expense		337,500
Nadra verification		5,840
Medical Expense		75,000
Laga Charges		-
		21,777,677

13.1

14. FINANCIAL AND OTHER CHARGES

Bank charges	67,679
Mark-up on bank overdraft	1,047,012
	1,114,691

15. OTHER INCOME

Realized gain on investment in shares	107,080,991
Unrealized (loss) / gain on revaluation of investment	5,848,313
Interest on bank deposits	441,880
Dividend income	2,838,300
Underwriter commission	-
Gain on future exposure	889,109
Premium on MF	2,048,880
Gain /(Loss) on Investment Mutual Fund	804,852
Other Income	73,397
Gain on PIB Investment	32,625
	120,058,347

16. **EARNINGS PER SHARE**

Profit after taxation	108,569,806
Number of ordinary shares	10,000,000
Earnings per share	10.86

17. **CASH AND CASH EQUIVILENT**

	2020 Rupees
Cash and bank balances	19,875,877
Bank overdraft	(142,165,558)
	(122,289,681)

18. **PLEDGE SECURITIES**

	No. of Shares	Value
Pledged to financial institutions on behalf of brokerage house	-	-
Pledged to financial institutions on behalf of Directors		
	-	-

19. **CAPITAL ADEQUACY LEVEL**

Total Assets	814,837,269
Less: Total Liabilities	(318,642,024)
Revaluation reserves (created upon revaluation of fixed assets)	-
Capital Adequacy Level	496,195,245

20. **COMMISSION**

Commission from Retail Clients	8385144
Commission from Instituition	2153940
Underwriter Commission	1035001
	11574085

Chief Executive Officer **Director**