

GROWTH SECURITIES (PVT) LTD
Un Audited Financial Statement
As of December 31, 2024



GROWTH SECURITIES (PVT) LTD.

Room # 81, 82 & 83, Second Floor, Pakistan Stock Exchange Building, I.I. Chundrigar Road, Karachi-74000.

Ph: (+92-21) 32463001-04 <http://www.growthsecurities.com.pk>

E-mail: info@growthsecurities.com.pk, growthsecurities102@gmail.com

Trading Right Entitlement Certificate Holder of Pakistan Stock Exchange Limited
(Formerly: Karachi Stock Exchange Limited)

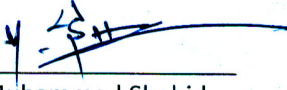
DIRECTORS REPORT TO THE SHAREHOLDERS FOR THE HALF YEAR ENDED DECEMBER 31, 2024.

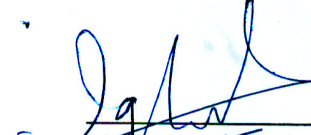
Your Directors are pleased to place before you Annual Report along with the audited accounts of the company for the Half year ended December 31, 2024. The working results of the company for the said financial year are given as under:

Total Income	Rs. 172,545,047
Operating expenses	Rs. <u>(42,730,976)</u>
Profit before taxation	Rs. 129,814,071
Taxation	Rs. <u>(2,246,743)</u>
Profit after taxation	Rs. 127,567,329

The Board of Directors has declared Nil dividend for the Half year ended December 31, 2024.

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


Muhammad Shahid
Chief Executive Officer


Muhammad Iqbal
Director

Karachi
February 4, 2025



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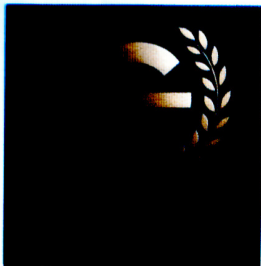
Statement of Compliance

Statement of Compliance (Code of Corporate Governance) under Regulation 16(1)(f) of the Securities Brokers (Licensing & Operations) Regulations, 2016

The directors confirm compliance with the Corporate & Financial Reporting Frameworks of the Securities and Exchange Commission of Pakistan (SECP's) Code of Corporate Governance in respect of the following:

- Proper books of account of the company have been maintained;
- The financial statements prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and the changes in equity;
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment;
- Approved Accounting Standards, as applicable in Pakistan, Companies Act, 2017 and the directives issued by the Commission have been followed in the preparation of the financial statements;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- The Company is financially sound and is a going concern and that there are no doubts about Its ability to continue as a going concern;
- There has not been any material departure from the best practices of Corporate Governance, as detailed in the listing regulations;
- The composition of Board of Directors is as per the best practices of Code of corporate Governance. Details of the composition of the Board of Directors have been provided below;

Name	Designation
Muhammad Shahid	Chief Executive Officer/ Director
Muhammad Iqbal	Director
Zeeshan	Director



GROWTH SECURITIES (PVT) LTD.

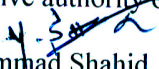
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- The Board of Directors has ensured that all regulations concerning responsibilities, powers and functions of the Directors have been carefully considered and acted upon. In addition, company Secretary, CFO and Head of Internal Audit who meet the requirements laid out in the Code have been appointed;
- Key operating and financial data of the preceding years is disclosed in the financial statements.
- There are no transactions entered into by the Broker during the year which are fraudulent, illegal or in violation of any securities market law;
- No material changes and commitments affecting the financial position of your Company have occurred between the balance sheet date and the date of the Directors' Report.
- The Board comprises three directors. The positions of the Chairman and the Chief Executive Officer are kept separate in line with the best governance practices.
- The Board has established a separate Audit committee, Human Resource Development committee and Business Management Committee to assist the Board in the performance of its functions. Further, none of the Directors is elected or nominated in more than seven listed companies.
- The board has ensured that significant policies have been formulated on the following issues, among others:
 - i) governance, risk management and compliance issues;
 - ii) customer relations including customer awareness and a mechanism and timeline for handling/resolving their complaints/grievances; and
 - iii) Segregation of customer assets from securities brokers' assets.
- The board formulated and ensured adoption of a code of conduct/code of ethics to promote integrity of its business, its board, its employees and its accredited representatives, with special emphasis on measures for curbing any market manipulative activities such as front running, insider trading and other market abuse.
- The board devised an effective whistle-blower mechanism enabling all stakeholders, including employees, to freely communicate their concerns about any illegal or unethical practices. The board would ensure that the interest of a whistle-blower is not prejudicially affected.
- The board appointed a Chief Executive Officer (CEO) to lead the management team, and exercise executive authority over operations of the company.

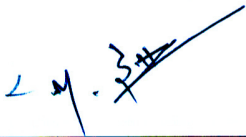

Muhammad Shahid
Chief Executive Officer

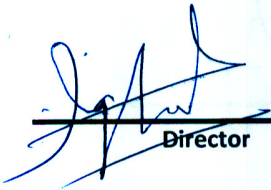
Date: 04-02-2025

GROWTH SECURITIES (PRIVATE) LIMITED
Un Audited Half Yearly Financial Statement
AS of December 31, 2024

		2024 Rupees
EQUITY AND LIABILITIES	Note	
SHARE CAPITAL AND RESERVE		
Authorized Share Capital		<u>100,000,000</u>
10,000,000 Ordinary shares of Rs. 10/- each		
Issued, Subscribed and Paid up Share Capital		
10,000,000 (2016: 10,000,000) Ordinary shares of Rs. 10/- each	3	100,000,000
Subordinated Loan		118,700,000
Unappropriated profit		402,020,094
		620,720,094
Capital reserves		-
		<u>620,720,094</u>
Non - Current Liabilities		
Current Liabilities		
Creditors, accrued and other liabilities	4	144,935,482
Bank overdraft	12.2	146,692,806
		<u>912,348,382</u>
ASSETS		
Non - Current Assets		
Property, plant and equipment		85,363,102
Intangible	5	2,500,000
Investment PIB	6	19,776,690
Long term deposits	7	1,656,750
Current Assets		
Trade debts	8	191,239,973
Advances, deposits, prepayments and other receivables	9	61,395,016
Loans and advances	10	-
Investment	11	504,809,698
Cash and bank balances	12	45,607,153
		<u>912,348,382</u>

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


 Chief Executive Officer


 Director

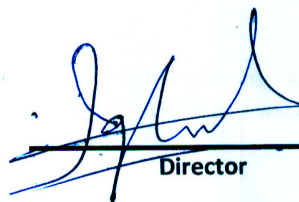
PROFIT AND LOSS ACCOUNT
As of December 31, 2024

	Note	2024 Rupees
Commission income		49,662,037
Operating expenses	13	(36,929,809)
Operating (loss)		12,732,228
Financial and other charges	14	(5,801,167)
Other income	15	122,883,010
Profit before taxation		129,814,072
Taxation		
- Current		(2,246,743)
- Prior		-
		(2,246,743)
Profit for the year		127,567,329
Earnings per share	16	12.76

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



Chief Executive Officer



Director

GROWTH SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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. Revisions 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 or 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

2024
Rupees

Authorized Share Capital

Number of Shares
10-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	51.00%	5,100,000
- Muhamamd Iqbal	48.99%	4,899,500
Zeeshan	0.01%	500
	<u>100%</u>	<u>10,000,000</u>

4. CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors	41,328,419
Accrued expenses and others payable	7,682,529
NCCPL against Future Trading	93,731,842
Other Liabilities:	
- Sindh sales tax and withholding tax	2,192,692
	<u>144,935,482</u>

5. INTANGIBLE

Note 2024
Rupees

Trading rights entitlement certificates	2,500,000
	<u>2,500,000</u>

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 PIB

Note 2024
Rupees

PIB	19,776,690
	<u>19,776,690</u>

7. LONG TERM DEPOSITS

Note 2024
Rupees

CDC deposit	100,000
NCCPL deposit	1,200,000
PSX deposit	200,000
Deposit PSO Card	156,750

		<u>1,656,750</u>
8. TRADE DEBTS		
Debtors Unsecured - considered good		191,239,973
		<u>191,239,973</u>
9. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advances		29,805,922
Deposit into NCCPL against exposure		29,673,684
Staff Loan	0	1,915,410
Pre deposit BMC maintenance		-
Other Receivable pre paid insurance		-
Dividend receivable		-
Receivable from PSX/NCCPL		-
Advance against Book Building		-
		<u>61,395,016</u>

10.	LOANS AND ADVANCES		
	Staff loan		
11.	INVESTMENT - fair value through profit and loss		
	Investment in listed securities		331,853,158
	Investment in Marging Financing		172,956,540
			504,809,698
12.	CASH AND BANK BALANCES		
	Cash in hand		32,390
	Cash at banks:		
	- Current accounts		606,126
	- Saving accounts		44,968,637
			45,607,153
12.1	Customer and proprietor wise Bank Balances		
	Proprietor Bank Balance including cash in hand		707,935
	Client Bank Balances		44,899,218
			45,607,153
12.2	Bank Overdraft		146,692,806
13.	OPERATING EXPENSES	Note	2024 Rupees
	Salaries, wages and benefits		26,105,197
	Repair and maintenance		2,086,255
	Travelling and conveyance		707,735
	Utility charges		1,267,804
	Entertainment		1,149,895
	KSE charges		283,252
	Printing and stationery		84,400
	Professional and Legal Fee		663,800
	Computer and software expenses		1,979,751
	Office Renovation		2,268,460
	Miscellaneous expenses		120,860
	Insurance		212,400
	LAGA, CDC, MCCPL Charges		-
			36,929,809
14.	FINANCIAL AND OTHER CHARGES		
	Bank charges		352,437
	Mark-up on bank overdraft		5,448,730
			5,801,167

15. OTHER INCOME

Realized gain on investment in shares	85,424,932
Unrealized (loss) / gain on revaluation of investment	24,191,743
Interest on bank deposits	3,775,661
Dividend income	5,264,873
Gain on future exposure (RMS Profit)	2,460,324
Pakistan Investment Bond	1,000,000
Other income	765,477
	<u>122,883,010</u>

16. EARNINGS PER SHARE

Profit after taxation	127,567,329
Number of ordinary shares	10,000,000
Earnings per share	<u>12.76</u>

17. CASH AND CASH EQUIVALENT

2024
Rupees

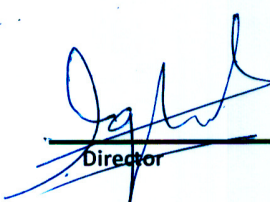
Cash and bank balances	45,607,153
Bank overdraft	(146,692,806)
	<u>(101,085,653)</u>

18. LONG TERM LOAN FROM DIRECTORS

Muhammad Shauq	46,400,000
Zeeshaan	46,400,000
	<u>92,800,000</u>

The above loan taken unsecured and interest free loan.


Chief Executive Officer


Director