

BROKER FIDUCIARY RATING REPORT

Growth Securities (Private) Limited

REPORT DATE:

October 14, 2025

RATING ANALYSTS:

Shaheryar Khan Mangan

shaheryar@vis.com.pk**RATING DETAILS****Broker Fiduciary Rating****BFR3+****Rating Rationale**

The rating signifies sound business & financial sustainability, adequate ownership & governance, management & client services and internal controls & regulatory framework

Rating Date

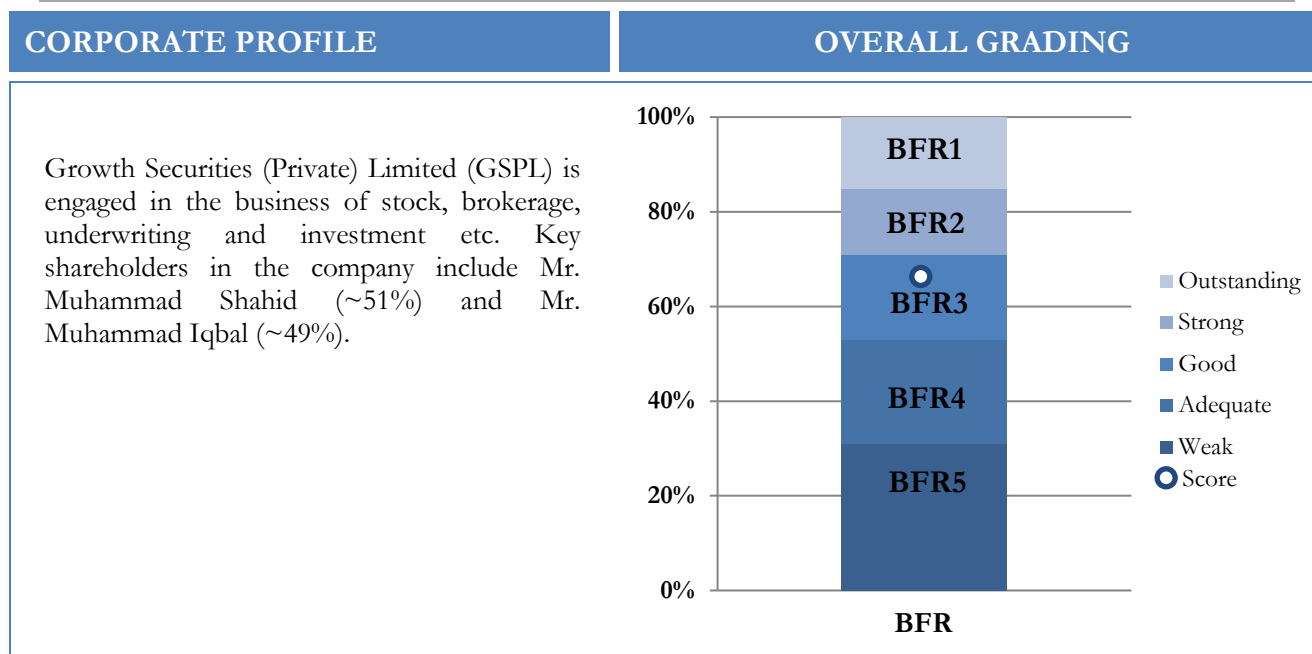
October 14, 2025

COMPANY INFORMATION**Incorporated in 2005****External auditors:** Baker Tilly Mehmood Idrees Qamar Chartered Accountants**Private Limited Company****Chief Executive Officer:** Mr. Muhammad Shahid**Key Shareholders (with stake 5% or more):**

Mrs. Mubammad Shahid ~ 51%

Mr. Mubammad Iqbal ~ 49%

APPLICABLE METHODOLOGY**Applicable Rating Criteria:** Broker Fiduciary Ratings<https://docs.vis.com.pk/Methodologies%202024/Broker-Fiduciary-Rating.pdf>**APPLICABLE RATING SCALE(S)****VIS Issue/Issuer Rating Scale:**<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

Growth Securities (Private) Limited


GSPL is registered with Securities & Exchange Commission of Pakistan and holds Trading Rights Entitlement Certificate (TREC) issued by Pakistan Stock Exchange Limited (PSX) for Trading and Self-Clearing Services. External auditors of the company are Baker Tilly Mehmood Idrees Qamar, Chartered Accountants. Auditors are on the approved list of auditors published by the State Bank of Pakistan (SBP).

Business and Financial Sustainability Indicators

	9MFY25*	FY24	FY23
Size of Net Worth (Rs. In Millions)	667.3	591.7	561.1
Gearing x (total interest-bearing debt/ total equity)	0.42x	0.08x	0.00x
Leverage x (total liabilities/ total equity)	0.52x	0.13x	0.03x
Liquid Assets/ Total Liabilities (x)	0.75x	4.54x	19.40x
Short term Investments/ Total Equity (%)	33.5%	53.1%	46.4%

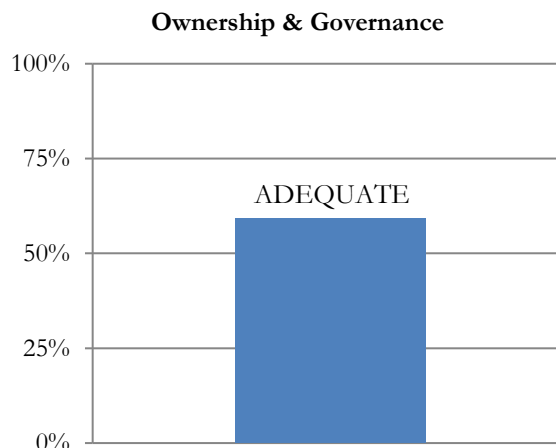
**Unaudited Accounts*

Growth Securities (Private) Securities Limited

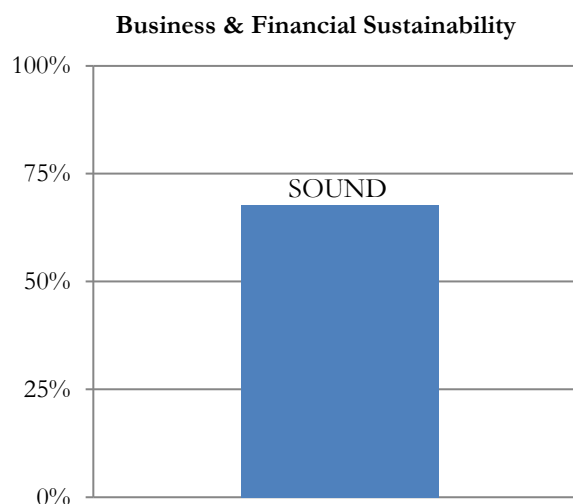
Rating Indicators

Ownership & Governance

- The Company's ownership and governance framework remains constrained by the small board size, comprising three members with no independent representation.
- The board committees include audit, risk management, investment, and HR & remuneration committees; however, overlapping membership is observed across these committees.
- Increasing the board size, along with inclusion of independent and certified members, may contribute to strengthening the Company's governance framework and help reduce repetition of members across committees.
- Disclosure levels of the Company is sound.

**Business & Financial Sustainability**

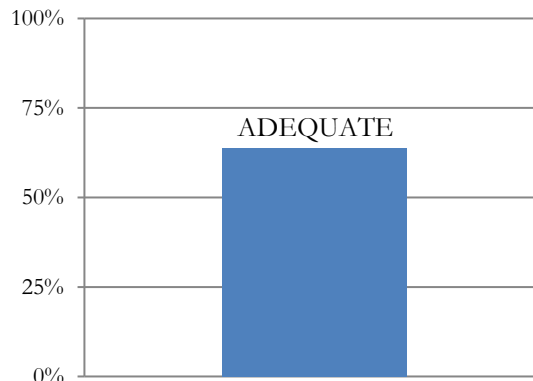
- During 9MFY25, the Company's revenue continued to increase, supported by higher income from ready-future segment and brokerage services, in line with the overall positive industry trend.
- Consequently, the Company's operational efficiency observed notable improvement, with cost-to-income ratio coming down to 36.2% in 9MFY25 (FY24: 68.9%, FY23: 206.5%).
- Short term investment in relation the equity stood at 33.5% as at Mar'25 (Jun'24: 53.1%, Jun'23: 46.3%). However, more than half of these investments reflect ready future transactions, thereby limiting market risk exposures.
- Liquidity profile of the Company has shown a worsening, with liquid assets coverage against total liabilities declining to 0.75x as at Mar'25 (Jun'24: 4.54x, Jun'23: 19.40x).
- Gearing and leverage indicators increased to 0.42x and 0.52x, respectively, as at Mar'25 (Jun'24: 0.08x and 0.13x; Jun'23: 0.00x and 0.03x). However, sponsor loans continue to provide support to the Company's capitalization profile.
- Overall, business and financial sustainability is considered sound. Going forward, sustained sponsor support, revenue diversification and growth, managing market risk, and improvements in liquidity and capitalization will remain important for the rating.



Management & Client Services

- Disclosure of commission rates on website has been noted positively.
- The Company has online trading platforms in place to facilitate clients in executing trade transactions. provision of research reports to clients may further enhance client services.
- Investor grievances procedures may be enhanced for greater visibility on website.
- Contingency measures of the Company are in place. However, outsourcing offsite backup through a third-party warehouse and increasing the frequency of disaster recovery exercises may further enhances these measures.

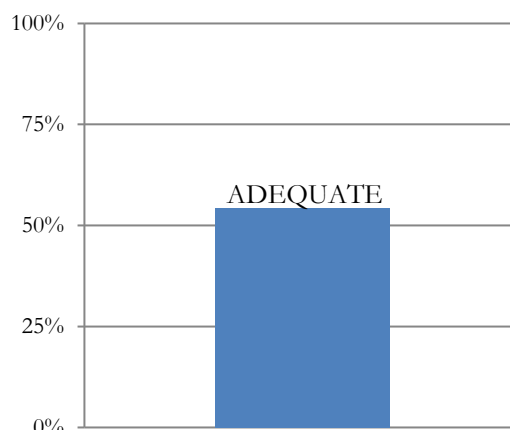
Management & Client Services



Internal Controls & Regulatory Compliance

- Internal policies are in place. However, enhancement in the scope of these policies may further improve the internal control framework.
- The joint inspection highlighted non-compliances with respect to CDC regulations, with certain observations still pending resolution. Non-compliances identified by PSX and the penalty imposed thereon, and the removal thereof following acknowledgment of subsequent compliance by the appellate committee, have also been noted. Going forward, ensuring compliance with all applicable regulations will remain important from a ratings perspective.

Internal Controls & Regulatory Compliance



Broker Fiduciary Rating Explained

In Securities Broker Fiduciary Rating (SBF), the strength of fiduciary role of the securities brokers is captured through the relative financial strength of the securities broker firm and its sponsors along with depth of internal control and governance framework, which are key rating ingredients. Responsiveness of the risk and internal control structure, quality of HR and soundness of the business infrastructure determine the strength of management and level of service quality of a stock broker. VIS Credit Rating Co. Ltd. (VIS) has developed a rating system that evaluates brokerage firms on the basis of such practices and the systems instituted to safeguard investor interests are at the forefront.

Growth Securities (Private) Securities Limited

REGULATORY DISCLOSURES			Appendix I	
Name of Rated Entity	Growth Securities (Private) Limited			
Sector	Brokerage			
Type of Relationship	Solicited			
Purpose of Rating	Broker Fiduciary Rating (BFR)			
Rating History	Rating Date	Rating	Rating Outlook	Rating Action
	RATING TYPE: BFR			
	14-Oct-25	BFR3+	Stable	Reaffirmed
	23-Aug-24	BFR3+	Stable	Initial
Instrument Structure	N/A			
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.			
Probability of Default	N/A			
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