

BROKER MANAGEMENT RATING REPORT

Growth Securities (Private) Limited

REPORT DATE:

October 14, 2025

RATING ANALYSTS:

Shaheryar Khan Mangan

shaheryar@vis.com.pk**APPLICABLE****METHDOLOGY & SCALE:****Broker Management Ratings:**[https://docs.vis.com.pk/Methodologies](https://docs.vis.com.pk/Methodologies%202024/Broker-Management.pdf)[%202024/Broker-Management.pdf](https://docs.vis.com.pk/Methodologies%202024/Broker-Management.pdf)**VIS Rating Scale:**[https://docs.vis.com.pk/docs/VISRating](https://docs.vis.com.pk/docs/VISRatingScales.pdf)[Scales.pdf](https://docs.vis.com.pk/docs/VISRatingScales.pdf)

Rating Category	Latest Rating
Broker Management Rating	BMR2
Rating Rationale	The rating signifies strong External Control Framework, sound Supervisory Framework, and Client Relationship & Fairplay. Regulatory requirements, Internal Control Framework, HR & Infrastructure, Compliance & Risk Management, and Financial Management are considered adequate.
Rating Date	October 14, 2025

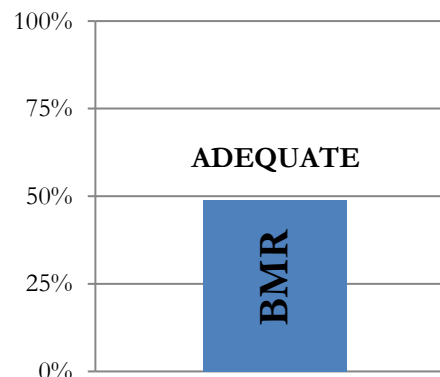
COMPANY INFORMATION

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):	
Mr. Muhammad Shahid ~ 51%	
Mr. Muhammad Iqbal ~ 49%	

Corporate Profile

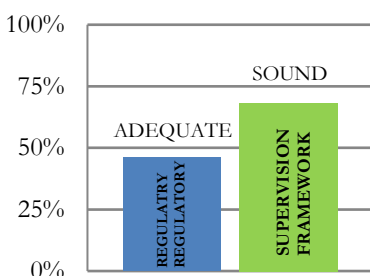
Growth Securities (Private) Limited (GSPL) is engaged in the business of stock, brokerage, underwriting and investment etc. Key shareholders in the company include Mr. Muhammad Shahid (~51%) and Mr. Muhammad Iqbal (~49%).

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).



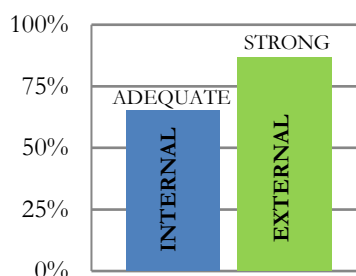
Rating Factors Scores

Regulatory Requirements & Supervision



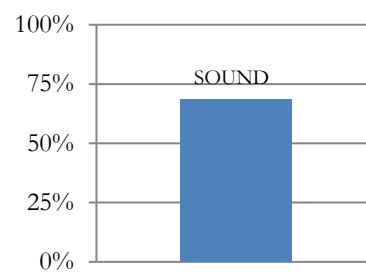
- The Company's governance framework remains constrained by the small board size, comprising three members with no independent representation.
- The board committees include audit, risk management, investment, and HR & remuneration committees; however, overlapping membership is observed across these 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 committee.

Internal & External Control Framework



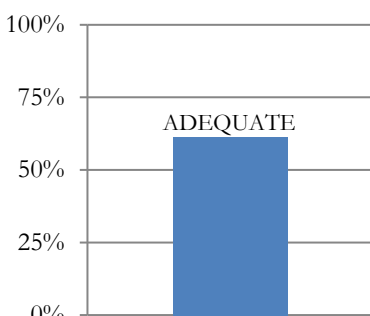
- Internal policies of the Company are in place. However, enhancement in the scope of these policies may further improve the internal control framework.
- External control framework of the Company is supported by strong disclosure levels.

Client Relationship & Fairplay



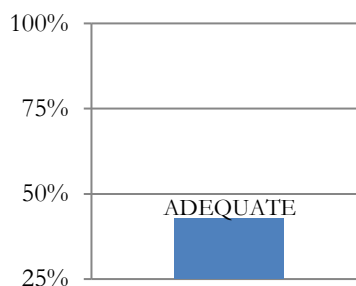
- The Company has online trading platforms in place to facilitate clients in executing trade transactions. provision of research reports to clients may further enhance client services.
- Investor grievances procedures may be enhanced for greater visibility on website.
- Disclosure of commission rates on website has been noted positively.

HR & Infrastructure



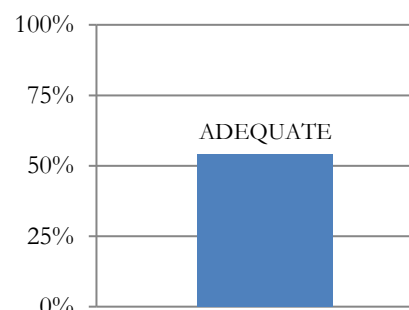
- Contingency measures of the Company are in place. However, outsourcing offsite backup through a third-party warehouse and increasing the frequency of disaster recovery exercises may further enhances these measures.

Compliance and Risk Management



- 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.

Financial Management



- 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.
- Going forward, sustained sponsor support, revenue diversification and growth, managing market risk, and improvements in liquidity and capitalization will remain important for the rating.

REGULATORY DISCLOSURES				Appendix I
Name of Rated Entity	Growth Securities (Private) Limited			
Sector	Brokerage			
Type of Relationship	Solicited			
Purpose of Rating	Broker Management Rating (BMR)			
Rating History	Rating Date	Rating	Rating Outlook	Rating Action
	RATING TYPE: BMR			
	14-Oct-2025	BMR2	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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