

BROKER MANAGEMENT RATING REPORT

Topline Securities Limited

REPORT DATE:

June 02, 2026

RATING ANALYSTS:

Shaheryar Khan Mangan

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Rating Category	Latest Rating
Broker Management Rating	BMR2++
Rating Rationale	The rating signifies sound regulatory requirements and supervision framework, internal controls, Client Relationship & Fairplay, HR & Infrastructure, Compliance & Risk Management, and financial management. External Control Framework is strong.
Rating Date	June 02, 2026

COMPANY INFORMATION

Incorporated in 2001	External auditors: M/s Naveed Zafar Ashfaq Jaffery & Co. – Chartered Accountants
Public Unlisted Company	Chairman of the Board: Mrs. Sabahat Sohail
Key Shareholders (with stake 5% or more):	Chief Executive Officer: Mr. Mohammad Sohail
<i>Mr. Mohammad Sohail ~ 70.9%</i>	
<i>Mr. Haroon Fatani ~ 22.3%</i>	
<i>Mrs. Farzana Haroon ~ 5.3%</i>	

APPLICABLE METHODOLOGY & RATING SCALES

Applicable Rating Criteria: Broker Management Ratings

<https://docs.vis.com.pk/Methodologies-2025/Broker-Management-2025.pdf>

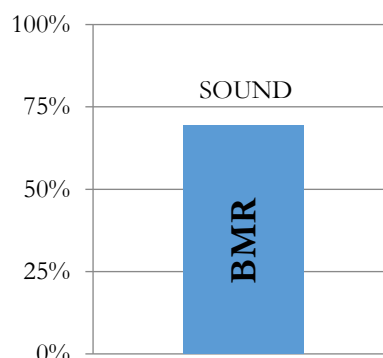
VIS Issue/Issuer Rating Scale:

<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

Corporate Profile

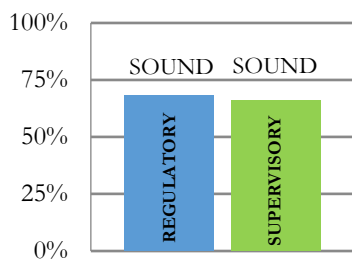
Topline Securities Limited (TSL) is engaged in the business of stock brokerage, commodity brokerage, underwriting, consultancy, book bidding, and advisory services. Shareholding of the Company is primarily vested with Mr. Mohammad Sohail, who also serves as the CEO of the Company. The Company provides both online and assisted trading services to local and foreign clients.

TSL is a public unlisted company holding Trading Rights Entitlement Certificate (TREC) granted by Pakistan Stock Exchange Limited (PSX) as well as membership in Pakistan Mercantile Exchange Limited (PMEX). External auditors of the company are M/s Naveed Zafar Ashfaq Jaffery & Co. – Chartered Accountants, which are “A” rated on the SBP’s panel of auditors.



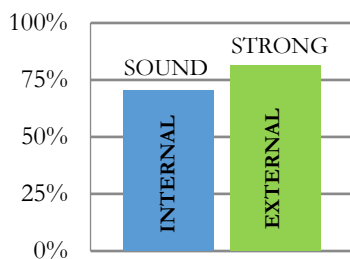
Rating Factors Scores

Regulatory and Supervision Framework



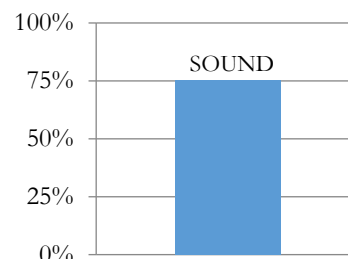
- The Company’s governance framework is anchored by a seven-member board of directors, inclusive of two independent directors.
- To support oversight functions, The Company has five board committees in place, namely Audit, HR, Risk Management, Nomination, and Investment committee.

Internal & External Control Framework



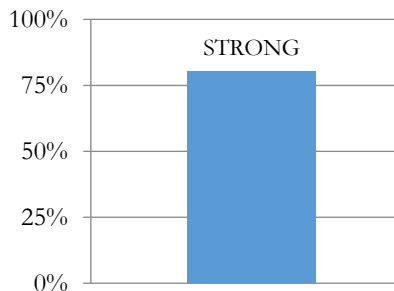
- The internal control framework of the Company is considered sound, with various policies and procedures in place. Nevertheless, further expansion in the scope of these policies may be considered to further strengthen the overall internal control framework.
- External control framework of the Company is supported by its strong disclosure levels.

Client Relationship & Fairplay



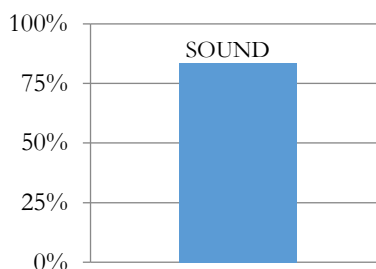
- The Company maintains a sound management and client services framework, supported by ERP platforms for back-office operations along with multiple digital platforms for mobile and web-based trading. In addition, research publications are disseminated through social media platforms.
- The Company may consider increasing its geographical footprint for greater customer outreach.

HR & Infrastructure



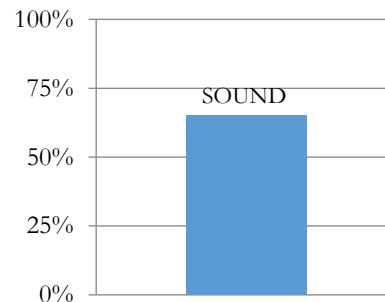
- The organizational structure of the Company aligns with the scale of its operations.
- Contingency measures of the Company are in place. However, conducting frequent disaster recovery exercises may further strengthen these measures.

Compliance and Risk Management



- Ensuring compliance with all applicable regulations at all times will remain important from the rating’s perspective.

Financial Management



- During FY25, the Company’s recurring income witnessed a healthy growth of ~22%, vis-à-vis FY24 levels. The increase was primarily driven by brokerage revenue, which constitutes the major portion of the revenue, followed by income from advisory services and bank profits. The positive momentum in operating performance continued into 1HFY26.
- The Company’s operational efficiency is considered at fair level, with the cost-to-income ratio standing at 51.1% in 1HFY26 (FY25: ~59.4%, FY24: 49.6%).
- Liquidity profile of the Company is considered sound.
- The Company’s short-term investments relative to equity stood at ~84% as at Dec’25 (FY25: ~71%, FY24: ~46%). However, these investments are held in money market mutual funds, which provide a degree of insulation against market risk.
- Capitalization indicators of the Company reflect a relatively leveraged capital structure, with the leverage ratio increasing to 1.1x as at Dec’25 (Jun’25: 0.45x, Dec’24: 0.32x). Meanwhile, the gearing levels remained comfortable at 0.35x as at Dec’25 (Jun’25: nil, Jun’24: nil).
- Going forward, continued enhancement in revenue and profitability as well as maintenance of liquidity and capitalization indicators will be important for the rating.

REGULATORY DISCLOSURES		Appendix I		
Name of Rated Entity	Topline Securities 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			
	02/06/2026	BMR2++	Stable	Reaffirmed
	29/05/2025	BMR2++	Stable	Reaffirmed
	10/04/2024	BMR2++	Stable	Upgrade
	11/10/2022	BMR2+	Stable	Reaffirmed
	24/6/2021	BMR2+	Stable	Reaffirmed
	14/5/2020	BMR2+	Stable	Upgrade
	6/2/2019	BMR2	Stable	Reaffirmed
11/7/2017	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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