

BROKER FIDUCIARY RATING REPORT

Topline Securities Limited

REPORT DATE:

June 01, 2026

RATING ANALYSTS:

Shaheryar Khan Mangan

shaheryar@vis.com.pk

RATING DETAILS

Broker Fiduciary Rating	BFR2 <i>Strong Fiduciary Standards</i>
Rating Rationale	The rating signifies sound ownership and governance, business and financial sustainability, management and client services, and internal controls and regulatory compliance.
Rating Date	June 01, 2026
Rating Action	Reaffirmed

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 ~ 5.31%</i>	

APPLICABLE METHODOLOGY

Applicable Rating Criteria: Broker Fiduciary Ratings

<https://docs.vis.com.pk/Methodologies%202024/Broker-Fiduciary-Rating.pdf>

APPLICABLE RATING SCALE(S)

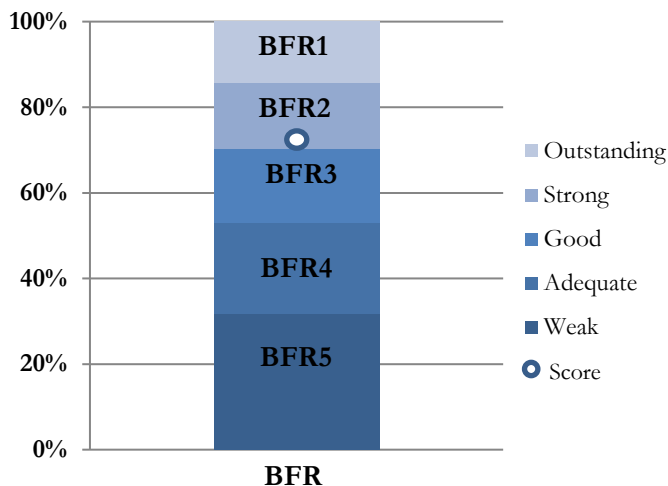
VIS Issue/Issuer Rating Scale:

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

Topline Securities Limited

CORPORATE PROFILE OVERALL GRADING

Topline Securities Limited (“TSL” or “the Company”) is engaged in the business of stock brokerage, commodity brokerage, underwriting, consultancy, book building, 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) for Trading and Self Clearing services 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, listed in ‘A’ category of SBP panel.

Business and Financial Sustainability Indicators

	1HFY26*	FY25	FY24
Size of Net Worth (Rs. In Millions)	1,806.6	1,600.5	1,388.8
Gearing x (total interest-bearing debt/ total equity)	0.35x	0.00x	0.00x
Leverage x (total liabilities/ total equity)	1.10x	0.45x	0.32x
Liquid Assets/ Total Liabilities (x)	1.36x	2.75x	2.91x
Short term Investments/ Total Equity (%)	83.9%	70.7%	46.2%

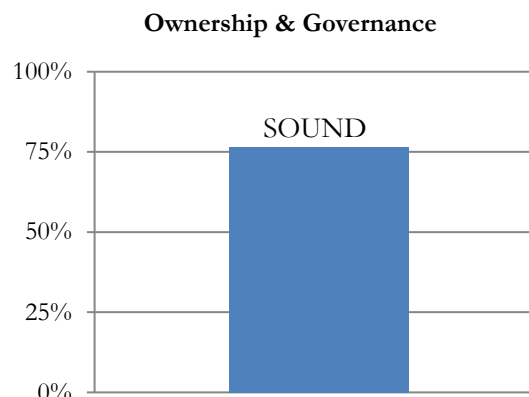
*Unaudited Accounts

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Rating Indicators

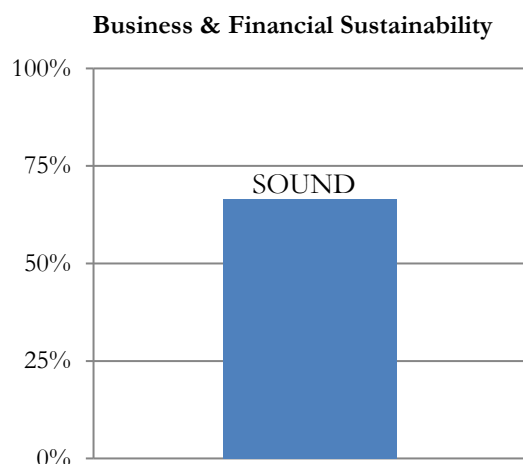
Ownership & Governance

- 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.
- Disclosure levels of the Company are considered sound.



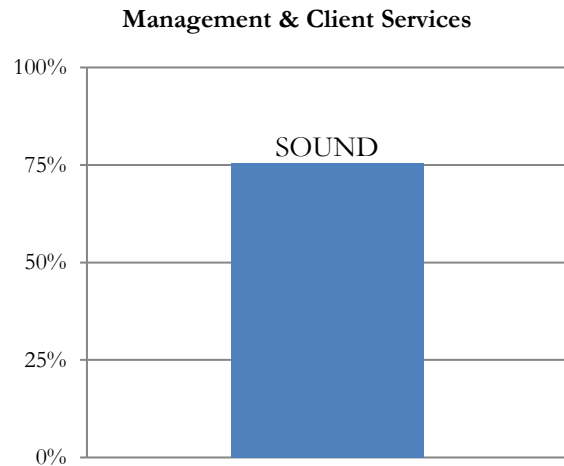
Business & Financial Sustainability

- 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.



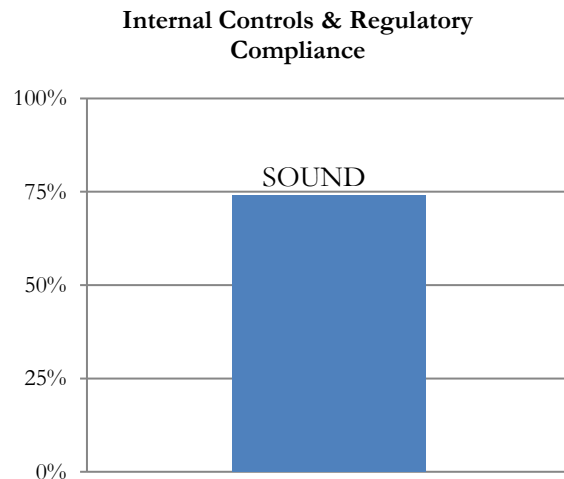
Management & Client Services

- 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
- Contingency measures of the Company are in place. However, conducting frequent disaster recovery exercises may further strengthen these measures.



Internal Controls & Regulatory Compliance

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



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.

Topline Securities Limited

REGULATORY DISCLOSURES		Appendix I		
Name of Rated Entity	Topline Securities 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			
	01/06/2026	BFR2	Stable	Reaffirmed
	29/05/2025	BFR2	Stable	Reaffirmed
	29/04/2024	BFR2	Stable	Reaffirmed
	24/11/2022 27/09/2021	BFR2 BFR2	Stable Stable	Reaffirmed 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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