

## BROKER FIDUCIARY RATING REPORT

### Integrated Equities Limited

**REPORT DATE:**

May 14, 2025

**RATING ANALYSTS:**

Shaheryar Khan Mangan

[shaheryar@vis.com.pk](mailto:shaheryar@vis.com.pk)

Zainab Imran

[zainab.imran@vis.com.pk](mailto:zainab.imran@vis.com.pk)**RATING DETAILS****Broker Fiduciary Rating****BFR2***Strong Fiduciary Standards***Rating Rationale**

The rating signifies sound client management services, business and financial sustainability, internal controls and ownership and governance.

**Rating Date**

May 14, 2025

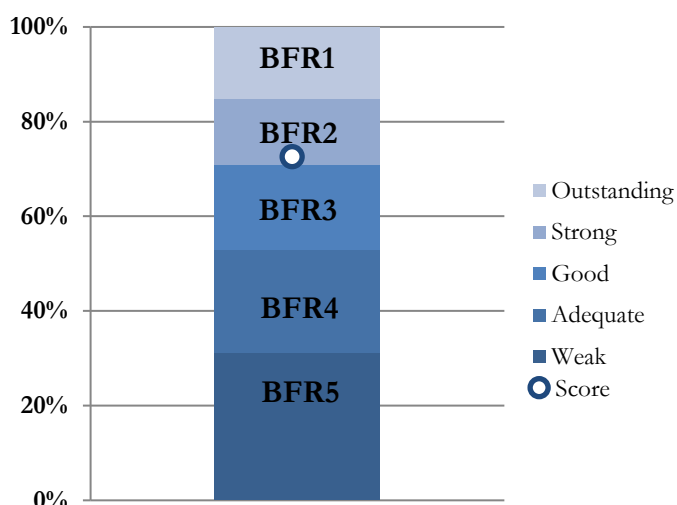
**COMPANY INFORMATION****Incorporated in July 2008****External auditors:** BDO Ebrahim & Co. Chartered Accountants**Unlisted Public Limited Company****Chief Executive Officer:** Mr. Sardar Ali Wattoo**Key Shareholders (with stake 5% or more):****Chairman of the Board:** Mrs. Sadia Ali*Mr. Sardar Ali Wattoo ~ 93%**Ms. Sadia Ali ~ 7%***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>

## Integrated Equities Limited

### CORPORATE PROFILE

Integrated Equities Limited (IEL) was incorporated in 2008 under the Companies Ordinance 1984 as a private limited company which was later converted to an unlisted public limited company in 2016. IEL is affiliated with the Aequitas Group which came into existence with the acquisition of Pakistan Credit Rating Agency Limited (PACRA) in 2003. The group also includes other associated companies, such as Tasdeeq, Pakistan's first licensed credit bureau, and Media Monitors Pakistan, which specializes in ad tracking, content monitoring, and media archiving. IEL offers equity brokerage, research, investment banking and project advisory services. Major shareholding of the Company (93%) is vested with Mr. Sardar Ali Wattoo who serves in the capacity of Chief Executive Officer (CEO).

### OVERALL GRADING



The Company holds a Trading Right Entitlement Certificate (TREC) for Trading & Self- Clearing issued by the Pakistan Stock Exchange Limited (PSX). IEL is a licensed Consultant to the Issue, Securities Adviser, Futures Adviser, Underwriter, and Authorized Intermediary while it is also a registered Research Entity with SECP. External auditors of the company are BDO Ebrahim & Co. Chartered Accountants which belong to category 'A' on the approved list of auditors published by the State Bank of Pakistan (SBP).

### Business and Financial Sustainability Indicators

	1HY25*	FY24	FY23
<b>Total Revenue (Rs. In Millions)</b>	119	90	62
<b>Size of Net Worth (Rs. In Millions)</b>	373	307	203
<b>Gearing x (Total interest-bearing debt/ Total equity)</b>	0.02x	0.02x	0.00x
<b>Leverage x (Total liabilities/ Total equity)</b>	1.13x	0.53x	0.67x
<b>Liquid Assets/ Total Liabilities (x)</b>	1.20x	1.11x	1.03x
<b>Short term Investments/ Total Equity (%)</b>	6%	2%	6%

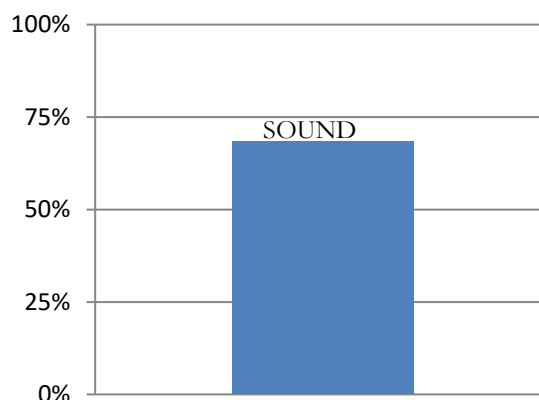
\*Unaudited Accounts

## Integrated Equities Limited

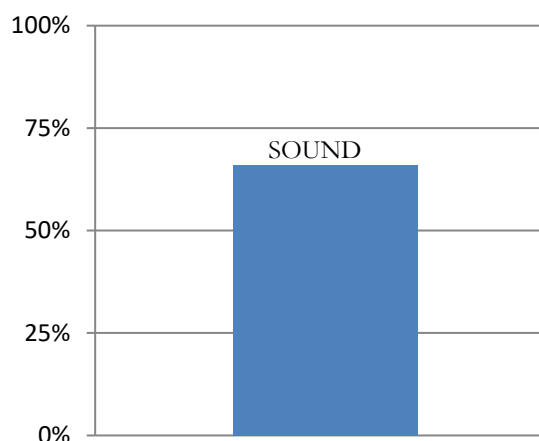
## Rating Indicators

**Ownership & Governance**

- The Company's board of directors is represented by five members, inclusive of one independent and two female members.
- The Company has two board-level committees, Audit and Compliance & Risk Management, both comprising the same members and headed by an independent director. The Company also has an advisory board comprising three members.
- Though the board size commensurate with the size of the Company, diversification of the board committees may further strengthen the Company's governance framework.
- The Company's disclosure levels are considered sound.

**Ownership & Governance****Business & Financial Sustainability**

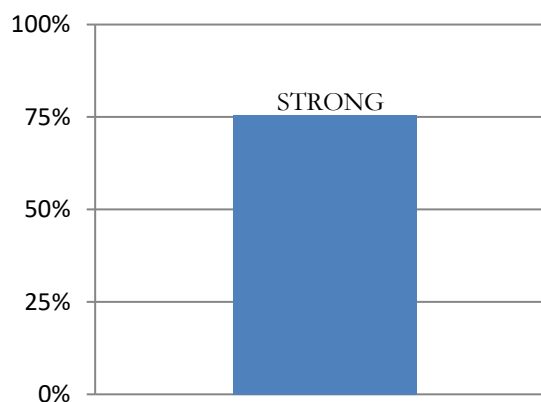
- During FY24 the Company's operating revenue grew by ~45% to PKR 90.4m (FY23: PKR 62.4m), which further increased by ~32% to PKR 118.9m in 1HFY25. This growth was primarily driven by a significant increase in brokerage revenue, which rose by around ~141% in FY24 and ~65% in 1HFY25. Income from advisory and consultancy services recorded a growth of ~124% compared to Dec'23, however, remained largely stable in its contribution to the total revenues. The brokerage segment continues to dominate the Company's revenue mix, contributing around 69% to total operating revenue.
- Consequently, the Company's operational efficiency improved to ~47% in 1HFY25 (FY24: ~72%, FY23: ~81%).
- Liquidity profile of the Company is supported by liquid assets coverage of 1.20x against its total liabilities as at Dec'24 (Jun'24: 1.11x, Jun'23: 1.03x).
- Market risk of the Company is minimal, given nominal proprietary investments maintained by the Company.
- The Company's capitalization is supported by its low debt profile, consisting of only sponsor's loan.
- Going forward, increasing the revenue base, along with maintenance of market risk, liquidity and capitalization profile will remain important for the rating.

**Business & Financial Sustainability**

### Management & Client Services

- Overall, the Company's management and client services is sound, with various channels, including online and mobile trading platforms, facilitating seamless trade transactions.
- The Company has fully integrated ERP platform within its operations, providing impetus to the Company's management & client services. Going forward, the Company plans to launch an AI-driven trading app, aimed at enhancing retail investor engagement.
- Customer complaint channels may be further enhanced to improve the overall customer experience.

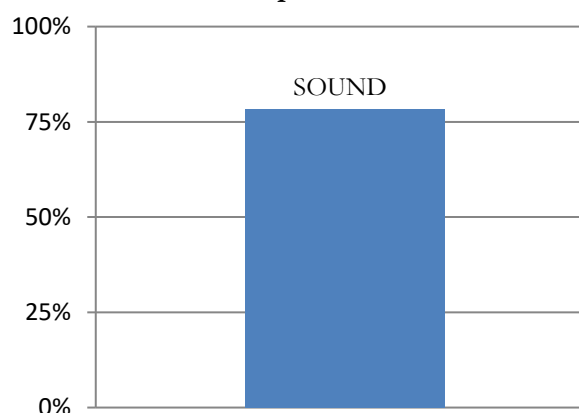
### Management & Client Services



### Internal Controls & Regulatory Compliance

- Internal control framework of the Company is considered sound, supported by documented policies.

### 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.*

**Integrated Equities Limited**

REGULATORY DISCLOSURES				Appendix I
<b>Name of Rated Entity</b>	Integrated Equities Limited			
<b>Sector</b>	Brokerage			
<b>Type of Relationship</b>	Solicited			
<b>Purpose of Rating</b>	Broker Fiduciary Rating (BFR)			
<b>Rating History</b>	<b>Rating Date</b>	<b>Rating</b>	<b>Rating Outlook</b>	<b>Rating Action</b>
	RATING TYPE: BFR			
	05/14/2025	BFR2	Stable	Upgrade
	19/03/2024	BFR3++	Stable	Reaffirmed
	03/03/2023	BFR3++	Stable	Reaffirmed
	23/02/2022	BFR3++	Stable	Initial
<b>Instrument Structure</b>	N/A			
<b>Statement by the Rating Team</b>	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.			
<b>Probability of Default</b>	NA.			
<b>Disclaimer</b>	Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Copyright 2025 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.			