

## BROKER FIDUCIARY RATING REPORT

### Multiline Securities Limited

**REPORT DATE:**

July 31, 2025

**RATING ANALYSTS:**Shaheryar Khan Mangan  
[shaheryar@vis.com.pk](mailto:shaheryar@vis.com.pk)**RATING DETAILS****Broker Fiduciary Rating****BFR3+****Rating Rationale**

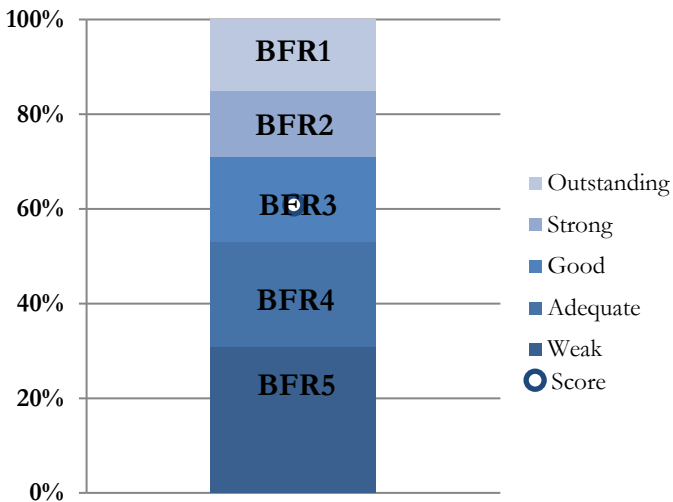
The rating signifies sound ownership and governance and management &amp; client services, while business and financial sustainability, internal control framework &amp; regulatory compliance are considered adequate.

**Rating Date**

July 31, 2025

**COMPANY INFORMATION****Incorporated in 2001****External auditors:** M/s Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants**Public unlisted Company****Chairman of the Board:** Mr. Haji Masood Parekh**Key Shareholders (with stake 5% or more):****Chief Executive Officer:** Mr. Muhammad Hanif Moosa Dharwarwala*Mr. Muhammad Hanif Moosa Dharwarwala ~ 99.96%***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>

**Multiline Securities Limited**

CORPORATE PROFILE	OVERALL GRADING
<p>Multiline Securities Limited (MSL) is a public unlisted company offering share brokerage, investment and portfolio management services to both retail and foreign institutional clients. The company is also a member of Pakistan Mercantile Exchange Ltd (PMEX). Furthermore, MSL's operations run through its registered offices in Karachi.</p>	
<p>The company holds a Trading Right Entitlement Certificate (TREC) issued by the Pakistan Stock Exchange Limited (PSX) since 2001. The Company is also a member of the Pakistan Mercantile Exchange Limited (PMEX). External auditors of the company are M/s Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants. Auditors are on the approved list of auditors published by the State Bank of Pakistan.</p>	

**Business and Financial Sustainability Indicators**

	HFY25*	FY24	FY23
<b>Size of Net Worth (Rs. In Millions)</b>	1,135	952	616
<b>Gearing x (total interest-bearing debt/ total equity)</b>	-	-	-
<b>Leverage x (total liabilities/ total equity)</b>	1.25x	0.29x	0.20x
<b>Liquid Assets/ Total Liabilities (x)</b>	1.39x	3.29x	4.41x
<b>Short term Investments/ Total Equity (%)</b>	39%	53%	58%

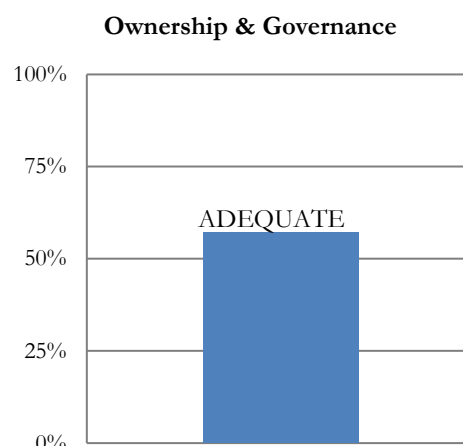
*\*Unaudited Accounts*

## Multiline Securities Limited

## Rating Indicators

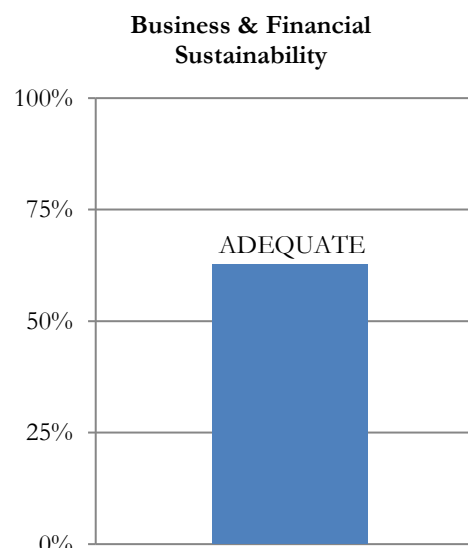
## Ownership &amp; Governance

- The Company's governance framework comprises a four-member board of directors, including two independent members, and two board committees, namely audit and risk management. However, repetition of members is noted across these committees.
- Expanding the board size through the inclusion of certified and additional independent directors may contribute to further enhancement of the governance framework.
- The Company has sound disclosure levels.



## Business &amp; Financial Sustainability

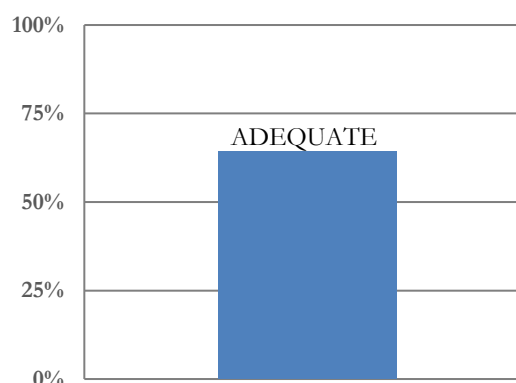
- During FY24, the Company's brokerage revenue exhibited a sizeable surge, in line with the industry trends. The brokerage segment remains the primary contributor to the Company's revenue mix. The positive trajectory in the Company's revenue has continued into HFY25.
- Consequently, the Company's efficiency ratio depicted improvement, albeit it remains on the higher side.
- Liquidity profile of the Company remains sound despite the weakening, with liquid assets providing a coverage of 1.39x as at Dec'24 (Jun'24: 3.29x, Jun'23: 4.41x)
- Market risk of the Company is on the lower side, with short term investments representing ~39% of the Company's equity as at Dec'24 (Jun'24: ~53%, Jun'23: ~58%).
- The capitalization profile of the Company draws support from no debt on its books and a sizeable equity, crossing the PKR 1,000m mark. Leverage of the Company has increased to 1.25x as at Dec'24 (Jun'24: 0.29x, Jun'23: 0.20x)
- Going forward, diversifying revenue streams, continued enhancement in profitability profile along with maintenance of liquidity and capitalization profile will remain important for the ratings.



### Management & Client Services

- With online trading gaining traction, the Company has implemented online platforms to facilitate clients in executing trade transactions.
- The Company should ensure inclusion of the minimum required content as prescribed by the Commission on the website, along with the availability of updated information. The same needs to be maintained at all times.
- Business continuity and contingency measures are well in place. However, these may be further enhanced by increasing the frequency of conducting disaster recovery and business continuity exercises.

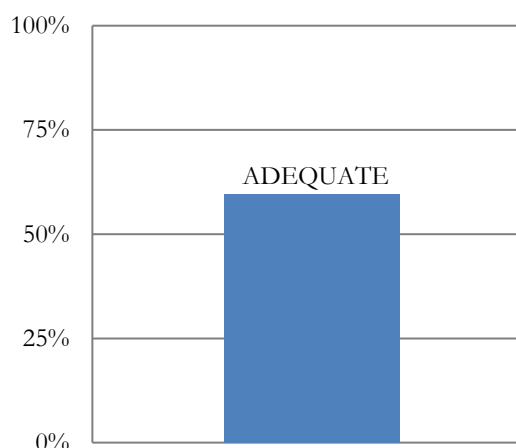
### Management & Client Services



### Internal Controls & Regulatory Compliance

- Internal policies of the Company are in place.
- Non-compliances highlighted by PSX during a thematic review and the penalty imposed thereon, have 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.*

**Multiline Securities Limited**

REGULATORY DISCLOSURES			Appendix I	
Name of Rated Entity	Multiline 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			
	31/07/2025	BFR3+	Stable	Reaffirmed
	09/07/2024	BFR3+	Stable	Reaffirmed
	02/05/2023	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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