

## BROKER FIDUCIARY RATING REPORT

### Chase Securities (Private) Limited

**REPORT DATE:**

June 18, 2025

**RATING ANALYSTS:**

Shaheryar Khan Mangan

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#### RATING DETAILS

Broker Fiduciary Rating

**BFR3+**

*Good Fiduciary Standards*

Rating Rationale

The rating signifies sound management and client services, internal controls and regulatory compliance, and ownership and governance, while business and financial sustainability are considered adequate.

Rating Date

June 18, 2025

#### COMPANY INFORMATION

Incorporated in 2021

External auditors: M/s. UHY Hassan Naeem & Co.  
Chartered Accountants

Private Limited Company

Chief Executive Officer: Mr. Ali Nawaz

Key Shareholders (with stake 5% or more):

Chairman of the Board: Mr. Kumail Raza

Mr. Ali Nawaz ~66%

Mr. Kumail Raza ~17%

Mr. Mebdi Hassan ~17%

#### APPLICABLE METHODOLOGY

Applicable Rating Criteria: Broker Fiduciary Ratings:

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

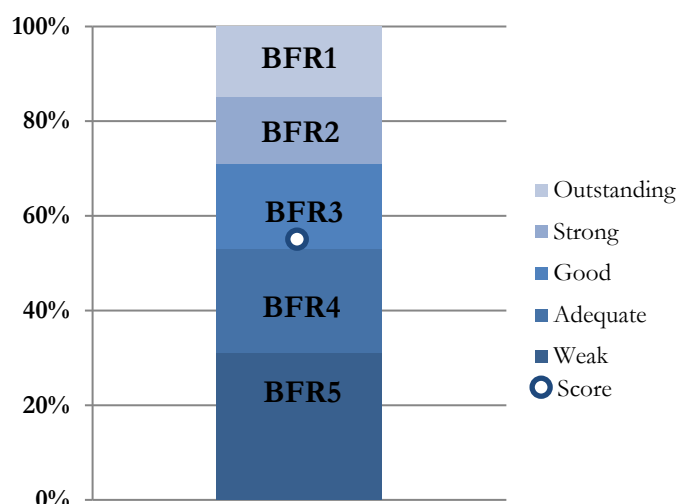
#### APPLICABLE RATING SCALE(S)

VIS Issue/Issuer Rating Scale:

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

**Chase Securities (Private) Limited**
**CORPORATE PROFILE**

Incorporated in April 2021, Chase Securities CSPL is a private limited company principally engaged in the brokerage of shares. The Company caters mainly to domestic institutional and retail clients. At present, CSPL operates through its head office based in Karachi, where it provides both assisted and online trading services. The Company holds Trading Rights Entitlement Certificate (TREC) granted by Pakistan Stock Exchange Limited (PSX), and is registered with SECP to provide Trading & Self Clearing Services. External auditors of the Company are UHY Hassan Naeem & Co. Chartered Accountants and belong to category 'A' on the approved list of auditors published by the State Bank of Pakistan (SBP).

**OVERALL GRADING**

**Business and Financial Sustainability Indicators**

	1HFY25*	FY24	FY23
<b>Size of Net Worth (Rs. In Millions)</b>	191	127	75
<b>Gearing (x) (Total Borrowing/ Total equity)</b>	0.71x	0.41x	0.00x
<b>Leverage (x) (Total liabilities/ Total equity)</b>	3.57x	2.13x	0.40x
<b>Liquid Assets/ Total Liabilities (x)</b>	0.76x	1.15x	1.11x
<b>Short term Investments/ Total Equity (%)</b>	12%	2%	14%

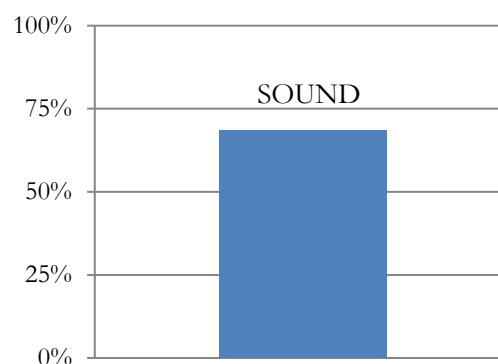
*\*Unaudited Accounts*

## Chase Securities (Private) Limited

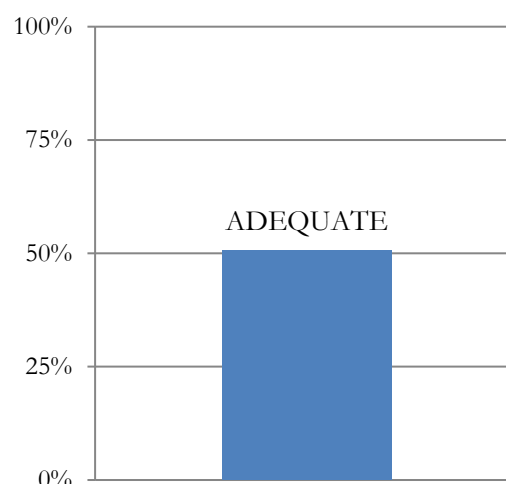
## Rating Indicators

**Ownership & Governance**

- The Company's board of directors increased to four, inclusive of one independent representation
- The Company has established additional board committees. In addition to the existing Audit Committee, it now includes Risk, Investment, and Human Resource & Remuneration Committees, all headed by an independent director. Nonetheless, repetition of members is observed across these committees, with all having similar composition.
- Disclosure levels of the Company are considered sound.

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

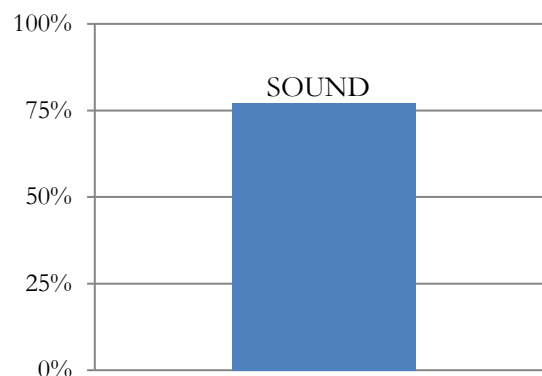
- During FY24, the Company's operating revenue nearly doubled in line with the upsurge in the stock market, reflecting significant growth, reaching PKR 138.3m (PKR 45.7m). This is primarily attributed to a robust growth in commission income, which was recorded at PKR 142.5m in FY24 (FY23: PKR 49.4m). The upward trend continued into 1HFY25, with revenue amounting to PKR 140.1m in 1HFY25.
- Consequently, the Company's operational efficiency improved, with cost-to-income ratio declining to ~64% (FY24: ~79%, FY23: ~84%).
- Liquidity profile of the Company moved downward, with a liquid assets' coverage of 0.76x against its total liabilities as at Dec'24 (Jun'24: 1.15x, Jun'23: 1.11x).
- The Company's market risk is considered minimal, given its limited involvement in proprietary investments.
- The Company's gearing and leverage ratios have increased, indicating a rise in financial risk, with ratios recorded at 0.71x and 3.57x as at Dec'24 (Jun'24: 0.41x and 2.13x, Jun'23: 0.00x and 0.41x) respectively. However, the short-term loan extended by the director demonstrates implicit sponsor support, boding well for the Company's financial profile.
- Going forward, enhancement in revenue, along with improvements in gearing and leverage indicators, liquidity profile and efficiency, will remain important for rating.

**Business & Financial Sustainability**

### Management & Client Services

- Overall, management & client services of the Company are considered sound, with online trading platforms in place, ensuring seamless transactions for clients.
- Investor grievance procedures may be improved by ensuring greater visibility on the Company's website.
- The Company has contingency measures in place, supported by the periodic conduct of disaster recovery exercises.

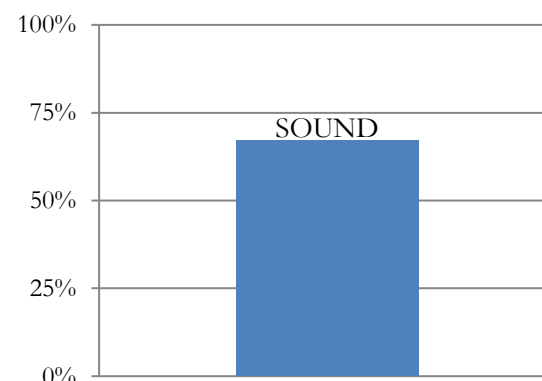
### Management & Client Services



### Internal Controls & Regulatory Compliance

- The Company has established internal policies; however, broadening their scope, particularly with regard to the conflict-of-interest policy and employee trading policy, may further strengthen the internal control framework.
- Additionally, enhancing the frequency of internal audits to review the control environment and compliance levels, along with more frequent trade reviews for non-compliant or suspicious transactions, may contribute to improved oversight and risk mitigation.

### 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.*

**Chase Securities (Private) Limited**

REGULATORY DISCLOSURES				Appendix I
<b>Name of Rated Entity</b>	Chase Securities (Private) 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			
	06/18/2025	BFR3+	Stable	Reaffirmed
	03/13/2024	BFR3+	Stable	Upgrade
	01/26/2023	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>	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.			
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