

BROKER FIDUCIARY RATING REPORT

MSMANIAR Financials (Private) Limited

REPORT DATE:

June 03, 2026

RATING ANALYSTS:

Shaheryar Khan Mangan

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RATING DETAILS

Broker Fiduciary Rating

BFR4+

Rating Rationale

The rating signifies adequate ownership and governance, management and client services, internal controls and regulatory compliance and business and financial sustainability

Rating Date

June 03, 2026

COMPANY INFORMATION

Incorporated in 2006

External auditors: Reanda Haroon Zakaria Salman Rizwan and Co

Private Limited Company

Chief Executive Officer: Mr. M. Saad Maniar

Key Shareholders (with stake 5% or more):

Mr. M. Saad Maniar- 99.99%

APPLICABLE METHODOLOGY

Applicable Rating Criteria: Broker Fiduciary Ratings:

<https://docs.vis.com.pk/Methodologies-2025/BrokerFiduciaryRating-Nov25.pdf>

APPLICABLE RATING SCALE(S)

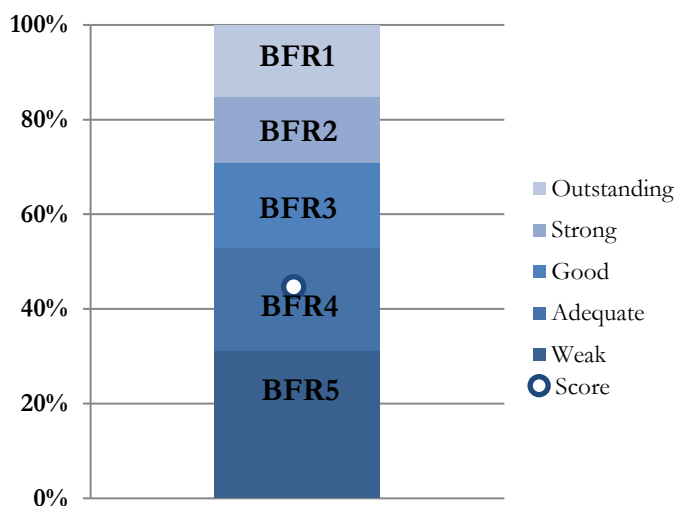
VIS Issue/Issuer Rating Scale:

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

MSMANIAR Financials (Private) Limited

CORPORATE PROFILE OVERALL GRADING

MSManiar Financials (Private) Limited ('MFPL' or 'the Company') was incorporated on December 27, 2006. The principal activities of the Company are to act as security broker of PSX and to engage in investing activities. Major shareholding of the Company is vested with Mr. Saad Maniar, who is the Chief Executive Officer of the Company, with more than 35 years of experience in this industry.



The Company holds a Trading Right Entitlement Certificate (TREC) for Trading & Self- Clearing issued by the Pakistan Stock Exchange Limited (PSX). External auditors of the company are Reanda Haroon Zakaria Salman Rizwan and Co which belong to category 'B' on the approved list of auditors published by the State Bank of Pakistan (SBP).

Business and Financial Sustainability Indicators

	1HY26*	FY25	FY24
Size of Net Worth (Rs. In Millions)	77.1	80.0	75.5
Gearing x (Total interest-bearing debt/ Total equity)	1.29x	0.98x	0.79x
Leverage x (Total liabilities/ Total equity)	1.69x	1.48x	1.29x
Liquid Assets/ Total Liabilities (x)	0.26x	0.36x	0.36x
Short term Investments/ Total Equity (%)	33%	32%	25%

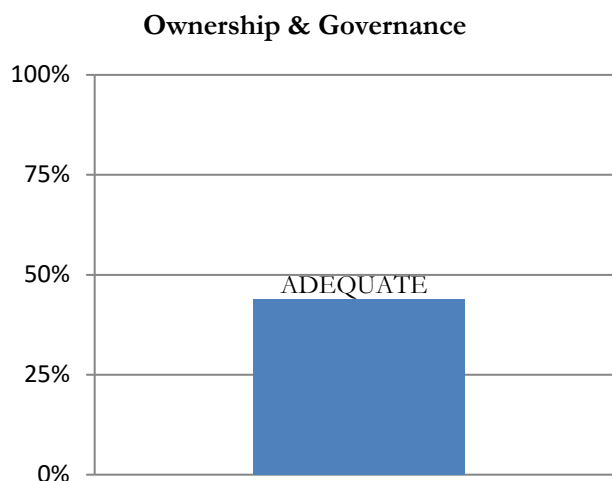
*Unaudited Accounts

MSMANIAR Financials (Private) Limited

Rating Indicators

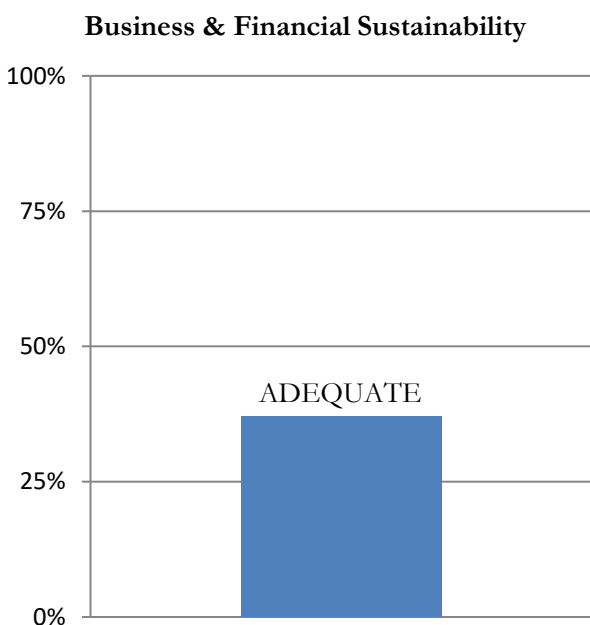
Ownership & Governance

- The Company’s Board of Directors comprises five members. However, governance oversight remains limited, with only one Board-level committee, namely the Audit Committee, currently in place, comprising two members.
- Presence of certified directors on the Board, along with the establishment of Board committees comprising at least three members each, may further strengthen the Company’s governance framework.
- The Company’s auditors belong to ‘B’ category on the approved panel issued by the State Bank of Pakistan. The appointment of auditors in the A category may further strengthen the Company’s ownership and governance framework.



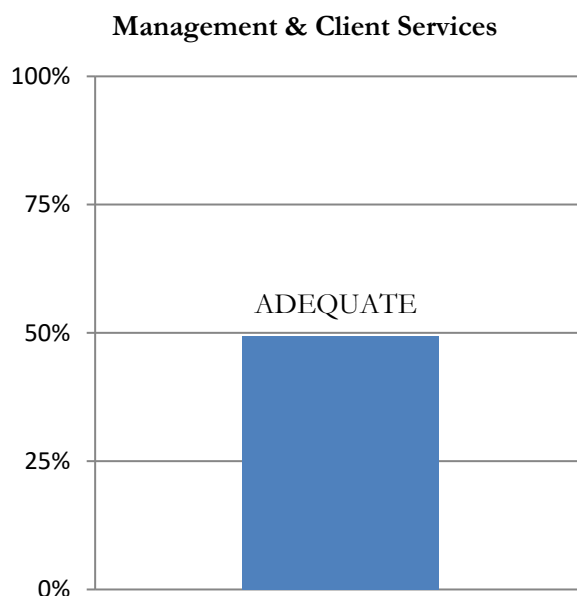
Business & Financial Sustainability

- During FY25, the Company's recurring revenue increased notably by ~42% to PKR 57.5m (FY24: PKR 40.6m), primarily driven by growth in brokerage revenue, which constitutes the largest component of the Company's revenue stream. However, brokerage revenue during 1HFY26 witnessed subdued growth, largely attributable to heightened competition, which constrained overall revenue growth.
- The Company's cost-to-income ratio is considered on the higher side, standing at 77.9% in 1HFY26 (FY25: 75.0%; FY24: 64.5%).
- Short-term investments relative to equity stood at 33% as at Dec'25 (Jun'25: 32%; Jun'24: 25%), indicating lower exposure to market risk.
- The Company's liquid asset coverage of total liabilities is considered inadequate, standing at 0.26x as at Dec'25.
- The capitalization profile of the Company is characterized by elevated debt levels and a relatively small equity base. Gearing and leverage ratios were recorded at 1.29x and 1.69x, respectively, as at Dec'25 (Jun'25: 0.98x and 1.48x; Jun'24: 0.79x and 1.29x). Moreover, the Company's equity base stood at PKR 77.09m as at Dec'25 (Jun'25: PKR 79.96m; Jun'24: PKR 75.45m).
- Going forward, effective management of market risk, and improvement in capitalization, liquidity, and operational efficiency will remain important for the rating.



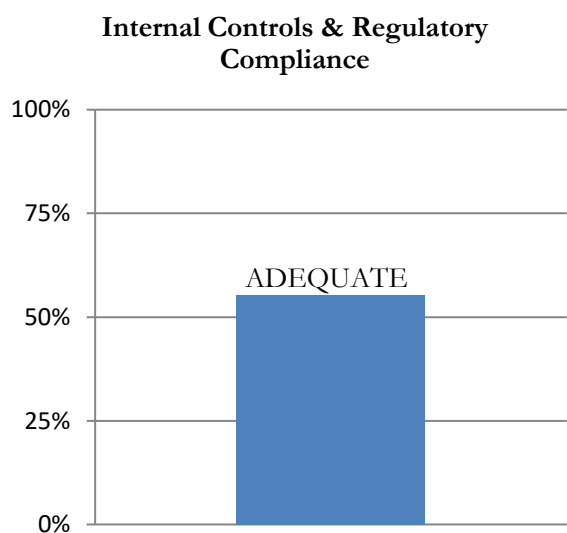
Management & Client Services

- The Company has a fully integrated ERP platform in place, acquired from VisionMax (Private) Limited, which is among the list of the broker back-office system vendors disclosed by PSX.
- However, implementation of prompt trade alerts upon trade execution, along with an SMS-based complaint lodging mechanism and complaint acknowledgement notifications, may further strengthen the Company’s client service framework.
- In addition, inclusion of investor grievance procedures on the homepage of the website may further strengthen the Company’s client service framework.
- Moreover, the Company may increase its market presence through undertaking advertisement and promotional activities along with expanding its geographical footprint.
- The Company may also consider establishing a research function and publishing research material on its website to further strengthen its client service and market outreach capabilities.
- While the Company has contingency measures in place, outsourcing offsite backups to a third-party location may further strengthen these arrangements.



Internal Controls & Regulatory Compliance

- The Company may further strengthen its control framework through development of a comprehensive and well-defined internal control policy document approved by the Board of Directors. Additionally, increasing the frequency of reviews of internal control systems may further enhance the effectiveness of the overall control environment.
- Moreover, the internal control framework may be further strengthened through periodic internal audits of the order recording system and enhancement of the Company’s trade review procedures.
- Instances of non-compliances identified by PSX, along with the related penalties imposed, have been duly noted. Going forward, adherence to all applicable regulatory requirements will remain an important consideration from the rating 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.

MSMANIAR Financials (Private) Limited

REGULATORY DISCLOSURES		Appendix I		
Name of Rated Entity	MSMANIAR Financials Private 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			
	03-Jun-2026	BFR4+	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	NA.			
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