The Pakistan Credit Rating Agency Limited

Rating Report

Trust Securities & Brokerage Limited | BFR

Report Contents

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Rating History

Dissemination Date	Rating	Outlook	Action	Rating Watch
18-Sep-2026	BFR 2	Stable	Maintain	-
19-Sep-2025	BFR 2	Stable	Maintain	-
19-Sep-2024	BFR 2	Stable	Maintain	-
19-Sep-2023	BFR 2	Stable	Maintain	-
20-Sep-2022	BFR 2	Stable	Initial	-

Rating Rationale

Factor	Comment
Ownership	Trust Securities & Brokerage Limited ('TSBL' or 'The Company') is primarily owned by Junaid Shehzad Ahmed (24.16%), Paramount Commodities (Pvt.) Ltd. (4.97%) and Muhammad Khurram Faraz (4.12%), with the remainder held by others.
Governance	The seven member Board, chaired by Mrs. Zenobia Wasif, includes two independent directors, with two Board committees chaired by independent directors, supporting effective oversight and governance.
Management and Client Services	Experienced management, supported by dedicated committees, ensures effective decision making, while digital platforms enhance operational efficiency and client experience.
Internal Controls and Regulatory Compilance	A structured control framework, supported by outsourced internal audit and dedicated risk management and compliance functions, ensures effective oversight and regulatory adherence.
Business Sustainability	TSBL revenue base is primarily driven by equity brokerage, supplemented by commodity brokerage, with operating revenue increasing to PKR 322mln in 9MFY26 (SPLY: PKR 190mln). Profitability also improved, with net profit rising to PKR 34mln from PKR 11.6mln.
Financial Sustainability	TSBL financial profile is supported by an equity base of PKR 866mln in 9MFY26, strengthened through a PKR 450mln right issue, alongside a liquid capital balance of PKR 573mln as of March 2026.

Key Rating Drivers

Fiduciary practices across client servicing, compliance, and risk management remain central to TSBL control framework, underpinning its BFR rating. Independent directors, dedicated compliance and risk functions, and an outsourced internal audit provide added oversight, while digital platforms further support service delivery and client engagement. Going forward, strengthening internal controls, client protection mechanisms, and grievance and conflict management frameworks will remain important, alongside enhancing research and analytical capabilities, diversifying revenue streams, and improving market positioning. Sustaining profitability, regulatory compliance, and sound fiduciary practices, together with operational efficiency, will further reinforce the Company's governance and risk management framework, deepening oversight, reinforcing stakeholder confidence, and supporting the sustainability of TSBL business and fiduciary standards over the medium term.

Disclosure

Name of Rated Entity	Trust Securities & Brokerage Limited | BFR
Type of Relationship	Solicited
Purpose of the Rating	Broker Fiduciary Rating (BFR)
Applicable Criteria	Assessment Framework | Broker Fiduciary Rating(Jan-26),Methodology | Rating Modifiers(Apr-26)
Related Research	Sector Study | Brokerage Firms(Feb-26)
Rating Analysts	Ayesha Tayyab | ayesha.tayyab@pacra.com | +92-42-35869504

Profile

Background Trust Securities & Brokerage Limited ("TSBL" or "the Company") was incorporated as a Public Limited Company on October 19, 1993, and is listed on the Pakistan Stock Exchange Limited (PSX). The Company is a Trading Right Entitlement Certificate (TREC) holder of PSX and also holds membership of the Pakistan Mercantile Exchange Limited (PMEX), enabling it to provide brokerage services across both equity and commodity markets. Over the years, TSBL has established a presence as a market participant, supported by its regulatory memberships and established market infrastructure. The Company primarily serves clients through its brokerage operations, facilitating access to capital market products and investment opportunities across the equity and commodity segments.

Operations The Company operates through a network of eight branches across Karachi and Lahore, including its Head Office in Karachi. This footprint enables TSBL to cater to both retail and institutional clients across key capital-market centers. The Company's principal business activity is equity brokerage, complemented by commodity brokerage services through its membership of the Pakistan Mercantile Exchange Limited (PMEX). TSBL currently operates as a "Trading and Self-Clearing" participant, enabling the Company to independently execute and settle trades through its own clearing arrangements. This structure provides greater control over the post-trade process and supports efficient management of settlement activities. The Company's operations are supported by dedicated functions covering brokerage, risk management, compliance, research, customer support, and internal audit, providing functional coverage across its core business and control activities.

Ownership

Ownership Structure The Company's shareholding structure is led by Mr. Junaid Shehzad Ahmed, who holds approximately 24% of the Company's paid-up capital. The remaining shareholding is distributed among a diversified base comprising directors, investment companies, joint stock companies, banks, and Development Finance Institutions (DFIs). The Company also maintains a sizeable free float of approximately 52%, resulting in a relatively dispersed ownership structure. The broad shareholder base provides liquidity to the Company's listed shares, while the significant free float limits concentration of ownership among individual shareholders.

Stability The Company does not currently have a formalized shareholding agreement or documented succession plan in place. Continuity of ownership and management is primarily supported through established relationships and verbal understandings among key stakeholders. Mr. Abdul Basit, serving as Chief Executive Officer (CEO), continues to provide leadership to the Company and is expected to remain at the helm over the foreseeable future. While his continued stewardship provides near-term management stability, the absence of a formal succession framework results in a degree of key-person dependency. Formalization of succession arrangements would provide greater clarity and support continuity in the event of a change in senior leadership.

Business Acumen The primary sponsor, Mr. Junaid Shehzad Ahmed, possesses strong business acumen backed by global professional exposure and entrepreneurial ventures. He holds a bachelor's degree in mechanical engineering from the United States, a dual-discipline Master's degree in Management Science and Operational Research from the United Kingdom, and an MBA in Entrepreneurship and Finance, also from the UK. He began his professional career in finance and strategy at British Petroleum's headquarters in London, before venturing into global businesses; since 2009 he has been involved in agro-businesses across the Middle East and Pakistan, alongside project management consultancy and a joint venture in a corporate finance advisory boutique. His diverse portfolio spans agro-business, real estate (local and international), consultancy, and corporate finance advisory, providing the Company with valuable strategic direction and market insight.

Financial Strength The primary sponsors demonstrate sound financial strength, supported by their diversified business interests both within Pakistan and abroad. Their willingness to inject additional equity into the Company was reflected in the successful completion of the PKR 450mln right share subscription during 9MFY26, underscoring continued sponsor support and financial backing.

Governance	**Board Structure** The Board of Directors of TSBL comprises seven members, including two Executive Directors and five Non-Executive Directors, of which two are Independent Directors. The Board consists of: **1. Ms. Zenobia Wasif (Chairperson/Non-Executive Director)**, **2. Mr. Abdul Basit (Chief Executive Officer/Executive Director), 3. Mr. Muhammad Shayan Ghayas (Executive Director), 4. Mr. Junaid Shehzad Ahmad (Non-Executive Director), 5. Mr. Khizer Hayat Farooq (Non-Executive Director), 6. WG CDR. Talat Mahmood (Retd.) (Non-Executive/Independent Director), and 7. Mr. Muhammad Talha Razi (Non-Executive/Independent Director).** The presence of independent and non-executive directors supports effective oversight of management and contributes to a balanced governance structure. Their representation strengthens the Board's oversight function and provides an additional layer of governance and accountability. **Members' Profile** The Board of Directors of TSBL comprises professionals with diverse experience spanning capital markets, financial services, corporate affairs, entrepreneurship, and business management. **Mr. Abdul Basit (Chief Executive Officer)** has been associated with the Company since 1994 and brings over two decades of experience in capital markets, brokerage operations, settlements, and corporate affairs. He has held various senior positions within TSBL before assuming the position of CEO in 2010. **Ms. Zenobia Wasif (Chairperson)** holds a bachelor's degree and has extensive experience in corporate administration and business management, with a career spanning various organizations. **Mr. Khizer Hayat Farooq (Non-Executive Director)** is a Computing & Information Technology graduate from Staffordshire University, U.K., and has experience in financial markets, business development, and entrepreneurship. He also serves as Chairman of the Human Resource & Remuneration Committee of TSBL. **WG CDR. Talat Mahmood (Retd.) (Independent Director)** is a former Wing Commander of the Pakistan Air Force and holds academic qualifications from Karachi University and Air University, along with specialized training in governance and financial management. He currently chairs the Company's Audit Committee. **Mr. Muhammad Talha Razi (Independent Director)** holds a Bachelor's degree in Commerce and an MBA, with professional experience spanning financial markets, corporate administration, operations management, and compliance. **Mr. Junaid Shehzad Ahmad (Non-Executive Director)** possesses diverse academic and professional credentials, including degrees in engineering, management science, operational research, and entrepreneurship and finance. He has international experience in finance and strategy, including his association with British Petroleum, followed by entrepreneurial and corporate finance advisory ventures. **Mr. Muhammad Shayan Ghayas (Executive Director)** holds a BBA in Finance, a diploma in Capital Markets from IBA, and a Certified Director qualification from ICMA. He has over seven years of capital-market experience, with expertise in equity sales, client management, risk management, and marketing strategy. **Board Effectiveness** The Board demonstrates active engagement in the Company's strategic and operational matters, as reflected in the quality and depth of discussions documented in the Board meeting minutes. The Board's oversight is further supported by dedicated **Audit and Human Resource & Remuneration Committees**, both chaired by independent directors, providing focused oversight of financial reporting, internal controls, risk management, and key human resource matters. The presence of independent directors in key Board committees enhances objectivity and strengthens the overall governance and oversight framework of the Company. **Financial** TSBL's external audit is conducted by Reanda Haroon Zakaria Aamir Salman Rizwan & Co., Chartered Accountants, a B-Category firm on SBP's panel of auditors. Additionally, the internal audit function is outsourced to M. Adnan Siddique & Co., ensuring independent oversight and transparency in financial reporting.

Management And Client Services	

Management And Client Services

Organizational Structure The Company maintains a well-defined organizational structure with dedicated functions covering key areas of its brokerage and capital-market operations. The principal departments include: (i) Online Retail Brokerage, (ii) Institutional Brokerage, (iii) Risk Management, (iv) Sales & Marketing, (v) Economic Research, (vi) Compliance, (vii) Customer Support, and (viii) Internal Audit. The respective department heads report directly to the CEO, ensuring clear lines of responsibility and accountability across the organization. The Internal Audit function operates independently and reports to the Board Audit Committee, supporting effective oversight of internal controls and governance. The functional segregation across business, risk, compliance, and assurance areas provides an appropriate framework for managing the Company's day-to-day operations and control environment.

Management Team The Company's management team comprises experienced professionals with diverse expertise across capital markets, brokerage operations, finance, compliance, corporate affairs, and sales. **Mr. Abdul Basit (Chief Executive Officer)** has been associated with TSBL since 1994 and brings over two decades of senior management experience in capital markets and brokerage operations. He has held various key positions within the Company, including Settlements Manager, Company Secretary, General Manager, and Chief Operating Officer, before assuming the role of CEO in 2010. **Mr. Muhammad Ahmed (Chief Financial Officer)** has over 20 years of experience across finance, internal audit, and taxation, with exposure to multiple industries including manufacturing, trading, exports, and construction. He has completed his articleship with Riaz Ahmed & Co. Chartered Accountants and has also cleared accountancy and taxation examinations of the Institute of Chartered Accountants of Pakistan. **Syed Maqsood Ahmad (Company Secretary)** brings extensive experience in corporate affairs, legal matters, regulatory compliance, and company secretarial functions, with prior associations with prominent business groups, GlaxoSmithKline, law firms, and the Institute of Chartered Accountants of Pakistan. He holds qualifications including an M.A. in Economics, LLB, and fellowship of the Institute of Corporate Secretaries of Pakistan, in addition to being an Advocate of the High Court. **Mr. Zeeshan Khanani (Head of Sales)** has over a decade of experience in the securities brokerage industry, with expertise in equity dealing, client management, and sales, particularly serving high-net-worth individuals. **Mr. Omaer Arif Sheikh (Head of Equity Operations & Corporate Sales)** has over 15 years of experience in securities brokerage and wealth management, with a focus on equity sales for institutional, international, retail, and high-net-worth clients. He has held senior sales and research positions at various brokerage and investment management firms. **Mr. Imran Alam (Head of Online Sales)** has around 15 years of capital-market experience, including involvement in the development of online trading platforms, customer services, business development, and marketing. He has also held a senior role at Pakistan Stock Exchange, where he contributed to investor awareness and digital initiatives. **Mr. Umar Farooq (Manager Institutional Sales)** brings over three decades of experience in equity dealing and institutional sales. He has held various positions across leading brokerage firms and has been associated with TSBL since 2019, focusing on equity trading and institutional clients. Overall, the management team combines longstanding capital-market experience with specialized expertise across the Company's core operating and control functions.

Client Servicing The Company provides clients with multiple channels for account opening and service delivery, including its online trading platform, mobile application, and physical branch network. This multi-channel approach facilitates accessibility for both retail and institutional clients while supporting digital onboarding and trading. A dedicated customer support function assists clients throughout the account opening process, providing guidance on documentation, platform usage, and trading procedures. The Company's focus on digital access, complemented by physical branch support, enables timely client engagement and facilitates a seamless onboarding and trading experience.

Complaint Management TSBL has a formal Customer Care Policy in place, providing a structured framework for the receipt, investigation, and resolution of client complaints. Complaints are initially received by the Operations Manager and subsequently referred to the relevant department head for investigation and resolution. The defined escalation mechanism establishes clear ownership and accountability at each stage, while facilitating timely redressal of client concerns. The structured process also supports consistent documentation and monitoring of complaints, contributing to effective client servicing and overall control environment.

Extent Of Automation / Integration TSBL has implemented an integrated front- and back-end technology infrastructure through Vision Max, an SECP-approved technology provider. The integrated system facilitates seamless processing of trading and post-trading activities, while enabling real-time monitoring of client positions, compliance parameters, and risk exposures. Automated controls support adherence to applicable margin requirements and other regulatory limits, reducing reliance on manual intervention and enhancing the efficiency and accuracy of operational processes. The integration of core trading, risk, and compliance functions also supports timely identification of exceptions and strengthens the Company's overall control environment.

Continuity Of Operations TSBL has established a business continuity framework aimed at maintaining the availability of critical operations and safeguarding key business information in the event of operational disruptions. The framework incorporates on-site, off-site, and cloud-based backup arrangements, providing multiple layers of data redundancy. Off-site servers and weekly external backups further mitigate the risk of data loss arising from system failures or other unforeseen disruptions. The availability of diversified backup arrangements supports timely recovery of critical systems and information, thereby enhancing the Company's operational resilience and continuity of service.

Internal Controls And Regulatory Compliance

Risk Management Framework TSBL has established a dedicated Risk Management Committee responsible for overseeing the Company's risk profile, risk appetite, policies, and control mechanisms. The Committee provides oversight of key risks arising from the Company's brokerage and capital-market activities and monitors the effectiveness of related controls. The Company also has an outsourced Internal Audit function, which provides an independent layer of assurance over internal controls and operational processes. The segregation of risk oversight and internal audit functions supports timely identification and mitigation of potential control weaknesses, while contributing to a stronger overall risk management and governance framework.

Regulatory Compliance TSBL has a dedicated Compliance function responsible for monitoring adherence to applicable PSX requirements, SECP regulations, and other relevant regulatory directives, including requirements relating to Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT). The function also monitors compliance with the Company's internal policies and established professional standards. The structured compliance framework, supported by ongoing monitoring and regulatory oversight, facilitates timely identification of potential non-compliances and reinforces adherence to the applicable regulatory and internal control requirements.

Business Sustainability	**Operating Environment** Pakistan's macroeconomic environment improved considerably during CY25, supported by progress under the IMF's Extended Fund Facility (EFF) and Resilience and Sustainability Facility (RSF), easing inflation, a stable exchange rate, and strengthening external account indicators. Continued engagement with the IMF, coupled with the World Bank's long-term financing commitment, reinforced investor confidence and contributed to an increase in the SBP's foreign exchange reserves. During the year, the SBP adopted a relatively accommodative monetary policy stance, reducing the policy rate from 13.0% to 10.5% as inflation moderated, while maintaining a cautious approach amid evolving external sector risks and geopolitical developments. Despite temporary disruptions from monsoon floods and regional geopolitical tensions, inflation remained within manageable levels and the PKR remained broadly stable against the U.S. dollar. The improving macroeconomic backdrop translated into a strong performance for Pakistan's equity market during CY25. Average daily trading volumes increased to approximately 796 million shares from 567 million shares in CY24, while average daily traded value rose by 62% YoY to PKR 35.8 billion (CY24: PKR 22.2 billion), reflecting heightened investor participation and improved market liquidity. Although foreign investors remained net sellers during the year, the outflows were largely absorbed by domestic institutional investors, including mutual funds, banks, DFIs, insurance companies, brokers, and other organizations. The favorable market environment supported higher brokerage activity, resulting in improved commission income and stronger business volumes across the industry. During 1QCY26, the equity market remained active and continued to benefit from positive investor sentiment, supported by macroeconomic stability, continued progress under the IMF program, and expectations of sustained economic recovery. However, market volatility increased towards the end of the quarter amid heightened regional geopolitical tensions, particularly the Iran-Israel/US and broader Middle East conflict, which led to a temporary spike in international oil prices and cautious investor sentiment. Going forward, the operating environment is expected to remain dependent on macroeconomic stability, the continuation of structural reforms under the IMF program, monetary policy direction, geopolitical developments, and the sustainability of investor confidence. **Performance** TSBL's operating revenue rose sharply to PKR 322.6mln in 9MFY26, up from PKR 190.2mln in the SPLY (+69.7% YoY), driven by brokerage income from PSX, which increased to PKR 285.7mln (SPLY: PKR 161.3mln) amid heightened market activity, alongside higher transaction charges from clients of PKR 28.8mln (SPLY: PKR 14.7mln); brokerage income from PMEX, however, declined to PKR 8.0mln (SPLY: PKR 13.7mln). Despite the strong topline growth, operating and administrative expenses rose to PKR 300.9mln (SPLY: PKR 202.3mln), resulting in an operating loss of PKR 27.3mln (SPLY: operating loss of PKR 9.3mln); the cost-to-income ratio, though still elevated, improved to ~93% (SPLY: ~106%), reflecting some efficiency gains despite the higher cost base. The Company also booked a combined PKR 41.2mln in realized and unrealized losses on its short-term investment portfolio, driven largely by heightened regional geopolitical tensions during 1QCY26, which translated into a loss after tax of PKR 35mln for the quarter. Supported by other income of PKR 74.9mln (SPLY: PKR 51.3mln), net profit after tax nonetheless rose to PKR 34.2mln in 9MFY26, nearly triple the PKR 11.7mln recorded in the SPLY, though earnings per share declined to PKR 0.11 (SPLY: PKR 0.39) on account of the dilutive impact of the PKR 450mln right share subscription completed during the period. While the revenue base demonstrates resilience, the emerging reliance on non-core, market-sensitive income streams exposes the Company to earnings volatility; sustaining core brokerage growth while building ancillary income, such as advisory, or research services, will remain important to strengthening long-term financial sustainability. **Strategy** The management is pursuing a strategy to diversify the Company's revenue base by expanding into advisory and other value-added capital-market services, supported by efforts to further strengthen its research capabilities. The initiative is aimed at broadening the Company's service offering beyond traditional brokerage activities and deepening relationships with institutional and high-net-worth clients. Over time, successful execution of the strategy could reduce reliance on brokerage income, improve revenue diversification, and provide additional avenues for sustainable business growth.

Financial Sustainability	
	Credit Risk Credit Risk Management: In line with the Company’s Risk Management Policy, the Risk Management function conducts daily monitoring of client margin requirements and outstanding exposures to identify potential shortfalls and credit-related risks at an early stage. The integrated Risk Management System provides real-time alerts for margin deficiencies and potential breaches, enabling timely intervention and corrective action. The Company maintains defined controls for managing client exposures, including close monitoring of margin positions and prompt follow-up on identified shortfalls, thereby limiting the build-up of credit exposure. In addition, the Company has established AML/CFT policies and procedures to identify and mitigate risks associated with client onboarding, transaction monitoring, and suspicious activities. These measures, supported by ongoing risk monitoring and compliance oversight, contribute to effective management of counterparty and client-related risks and safeguard the Company against potential financial and regulatory exposures. **Market Risk** TSBL's short-term investment portfolio increased to PKR 34.8mln as of Mar-26 from a negligible at Jun-25, following the deployment of part of the right-issue proceeds into listed equities. This marks a departure from the Company's historically negligible proprietary trading exposure and contributed to combined realized and unrealized investment losses of PKR 41.2mln during 9MFY26, driven largely by heightened regional geopolitical tensions during 1QCY26. While the absolute quantum of the portfolio remains modest relative to the Company's equity base, its recent volatility underscores an emerging degree of market risk. Positions are reviewed against market conditions and exposure limits by the Company's Investment Decision-Making Committee, providing a degree of oversight; nonetheless, the shift toward proprietary exposure represents an evolving risk that will warrant continued monitoring going forward. **Liquidity Risk** The Company's liquidity profile strengthened considerably during the period, with current liabilities recorded at PKR 425.4mln as of Mar-26 (Jun-25: PKR 490.2mln). These obligations are comfortably covered by current assets of PKR 1,220.1mln (Jun-25: PKR 799.1mln), translating into a current ratio of ~2.87x (Jun-25: ~1.63x), a marked improvement supported by the inflow from the right share subscription and the full retirement of short-term borrowings (Mar-26: nil; Jun-25: PKR 46.9mln). Cash and bank balances rose substantially to PKR 318.7mln (Jun-25: PKR 7.9mln), of which pertains to the brokerage house and clients, further reinforcing the Company's liquidity cushion. The improved ratio, coupled with the absence of short-term debt, indicates a strong and comfortable liquidity position, mitigating liquidity risk. **Capitalization** TSBL's capitalization profile strengthened materially during the period, with shareholders' equity rising to PKR 866.6mln as of Mar-26 from PKR 382.3mln at Jun-25, driven primarily by the PKR 450mln right share subscription completed during the period, together with retained profit of PKR 34.2mln for the nine months. Paid-up capital increased to PKR 750mln (Jun-25: PKR 300mln), providing a substantially larger equity cushion to support risk absorption capacity. The Company's Liquid Capital Balance (LCB) stood at PKR 574mln as of Mar-26, reflecting a healthy improvement and a strong buffer over the prescribed regulatory requirement. On-balance-sheet debt remains minimal, with short-term borrowings fully retired and lease liabilities of PKR 15.5mln (Jun-25: PKR 21.5mln) constituting the principal financing obligation, reflecting a strong, largely equity-funded capital structure that provides a stable financial cushion for business operations.

THE PAKISTAN CREDIT RATING AGENCY

		Mar-26	Jun-25	Jun-24	Jun-23
Trust Securities & Brokerage Limited PUBLIC LISTED LIMITED FINANCIAL SUMMARY		FY26	FY25	FY24	FY23
		9M	12M	12M	12M
		Management	Audited	Audited	Audited
FS PRINT MODE	DISABLED				

	BALANCE SHEET				
1	FINANCES	175.58	173.93	67.14	36.90
2	INVESTMENTS	53.67	18.69	18.90	20.70
3	OTHER EARNING ASSETS	-	6.94	-	0.40
4	NON-EARNING ASSETS	1,068.31	684.05	621.23	436.20
5	NON-PERFORMING FINANCES-net	-	-	(66.11)	-
	TOTAL ASSETS	**1,297.56**	**883.62**	**707.27**	**494.20**
6	FUNDING	6.64	59.66	80.05	64.60
7	OTHER LIABILITIES (NON-INTEREST BEARING)	424.36	441.61	264.04	150.40
	TOTAL LIABILITIES	**430.99**	**501.28**	**344.09**	**215.00**
	TOTAL EQUITY	**866.58**	**382.34**	**363.18**	**279.20**
	INCOME STATEMENT **INCOME**				
1	FEE BASED INCOME	307.82	251.09	211.43	142.39
2	OPERATING EXPENSES	(300.94)	(295.13)	(277.78)	(83.10)
3	NON-FEE BASED INCOME	(41.21)	13.90	104.83	46.11
	TOTAL OPERATING INCOME (LOSS)	**(34.33)**	**(30.15)**	**38.47**	**105.40**
4	FINANCIAL CHARGES	(7.71)	(11.75)	(13.51)	(115.40)
	PRE-TAX PROFIT	**32.90**	**24.79**	**84.02**	**(10.00)**
5	TAXES	1.34	(5.62)	(0.02)	(0.20)
	PROFIT AFTER TAX	**34.24**	**19.17**	**84.00**	**(10.20)**
	RATIOS **BUSINESS SUSTAINABILITY**				
1	PRE-TAX MARGIN	0.10	0.10	0.40	(0.07)
2	EBITDA MARGIN	0.13	0.15	0.52	0.83
3	EBIT RETURN ON ASSETS	0.05	0.05	0.16	0.21
	FINANCIAL SUSTAINIBILITY				
1	TOTAL INVESTMENTS / EQUITY	0.04	0.00	0.05	0.07
2	LIQUID CAPITAL BALANCE (LCB) / EQUITY	0.66	0.55	0.54	0.59
3	(CASH, CASH EQUIVALENTS & GOVERNMENT SECURITIES) / TOTAL ASSETS	0.24	0.01	0.03	0.05
4	TOTAL DEBT / TOTAL ASSETS	0.01	0.08	0.12	0.13

Broker Fiduciary Rating Scale & Definitions	
An independent opinion on a broker's quality of management and client services, and the sustainability of operations	
Scale	**Definition**
BFR 1	Very Strong. Very Strong quality of management and client services, and a very high likelihood of sustaining operations.
BFR 2++ BFR 2+ BFR 2	Strong. Strong quality of management and client service, and a high likelihood of sustaining operations
BFR 3++ BFR 3+ BFR 3	Good. Good quality of management and client service, and average likelihood of sustaining operations.
BFR 4++ BFR 4+ BFR 4	Adequate. Adequate quality of management and client service, and average likelihood of sustaining operations.
BFR 5	Weak. Weak quality of management and client service, and a weak likelihood of sustaining operations.

Rating Modifiers | Rating Actions

Outlook (Stable, Positive, Negative, Developing)	Rating Watch	Suspension	Withdrawn	Harmonization
Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business / financial conditions. It is not necessarily a precursor to a rating change. 'Stable' outlook means a rating is not likely to change. 'Positive' means it may be raised. 'Negative' means it may be lowered. Where the trends have conflicting elements, the outlook may be described as 'Developing'.	Alerts to the possibility of a rating change subsequent to, or in anticipation of, some material identifiable event with indeterminable rating implications. But it does not mean that a rating change is inevitable. A watch should be resolved within the foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany the rating outlook of the respective opinion.	It is not possible to update an opinion due to a lack of requisite information. Opinion should be resumed in the foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.	A rating is withdrawn on a) termination of rating mandate, b) the debt instrument is redeemed, c) the rating remains suspended for six months, d) the entity/issuer defaults, or/and e) PACRA finds it impractical to surveil the opinion due to lack of requisite information.	A change in rating due to a revision in the applicable methodology or underlying scale.

Surveillance. Surveillance on a publicly disseminated rating opinion is carried out on an ongoing basis till it is formally suspended or withdrawn. A comprehensive surveillance of rating opinion is carried out at least once every six months. However, a rating opinion may be reviewed in the intervening period if it is necessitated by any material happening. Rating actions may include "maintain", "upgrade", or "downgrade".

Rating Team Statements
(1) Rating is just an opinion about the creditworthiness of the entity and does not constitute recommendation to buy, hold or sell any security of the entity rated or to buy, hold or sell the security rated, as the case may be | Chapter III; 14-3-(x)

2) **Conflict of Interest**
i. The Rating Team or any of their family members have no interest in this rating | Chapter III; 12-2-(j)
ii. PACRA, the analysts involved in the rating process and members of its rating committee, and their family members, do not have any conflict of interest relating to the rating done by them | Chapter III; 12-2-(e) & (k)
iii. The analyst is not a substantial shareholder of the customer being rated by PACRA [Annexure F; d-(ii)] Explanation: for the purpose of above clause, the term “family members” shall include only those family members who are dependent on the analyst and members of the rating committee

Restrictions
(3) No director, officer or employee of PACRA communicates the information, acquired by him for use for rating purposes, to any other person except where required under law to do so. | Chapter III; 10-(5)
(4) PACRA does not disclose or discuss with outside parties or make improper use of the non-public information which has come to its knowledge during business relationship with the customer | Chapter III; 10-7-(d)
(5) PACRA does not make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating | Chapter III; 10-7-(k)

Conduct of Business
(6) PACRA fulfills its obligations in a fair, efficient, transparent and ethical manner and renders high standards of services in performing its functions and obligations; | Chapter III; 11-A-(a)
(7) PACRA uses due care in preparation of this Rating Report. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA does not, in every instance, independently verifies or validates information received in the rating process or in preparing this Rating Report | Clause 11-(A)(p).
(8) PACRA prohibits its employees and analysts from soliciting money, gifts or favors from anyone with whom PACRA conducts business | Chapter III; 11-A-(q)
(9) PACRA ensures before commencement of the rating process that an analyst or employee has not had a recent employment or other significant business or personal relationship with the rated entity that may cause or may be perceived as causing a conflict of interest; | Chapter III; 11-A-(r)
(10) PACRA maintains principal of integrity in seeking rating business | Chapter III; 11-A-(u)
(11) PACRA promptly investigates, in the event of a misconduct or a breach of the policies, procedures and controls, and takes appropriate steps to rectify any weaknesses to prevent any recurrence along with suitable punitive action against the responsible employee(s) | Chapter III; 11-B-(m)

Independence & Conflict of interest
(12) PACRA receives compensation from the entity being rated or any third party for the rating services it offers. The receipt of this compensation has no influence on PACRA´s opinions or other analytical processes. In all instances, PACRA is committed to preserving the objectivity, integrity and independence of its ratings. Our relationship is governed by two distinct mandates i) rating mandate - signed with the entity being rated or issuer of the debt instrument, and fee mandate - signed with the payer, which can be different from the entity
(13) PACRA does not provide consultancy/advisory services or other services to any of its customers or to any of its customers’ associated companies and associated undertakings that is being rated or has been rated by it during the preceding three years unless it has adequate mechanism in place ensuring that provision of such services does not lead to a conflict of interest situation with its rating activities; | Chapter III; 12-2-(d)
(14) PACRA discloses that no shareholder directly or indirectly holding 10% or more of the share capital of PACRA also holds directly or indirectly 10% or more of the share capital of the entity which is subject to rating or the entity which issued the instrument subject to rating by PACRA; | Reference Chapter III; 12-2-(f)
(15) PACRA ensures that the rating assigned to an entity or instrument is not be affected by the existence of a business relationship between PACRA and the entity or any other party, or the non-existence of such a relationship | Chapter III; 12-2-(i)
(16) PACRA ensures that the analysts or any of their family members shall not buy or sell or engage in any transaction in any security which falls in the analyst’s area of primary analytical responsibility. This clause shall, however, not be applicable on investment in securities through collective investment schemes. | Chapter III; 12-2-(l)
(17) PACRA has established policies and procedure governing investments and trading in securities by its employees and for monitoring the same to prevent insider trading, market manipulation or any other market abuse | Chapter III; 11-B-(g)

Monitoring and review
(18) PACRA monitors all the outstanding ratings continuously and any potential change therein due to any event associated with the issuer, the security arrangement, the industry etc., is disseminated to the market, immediately and in effective manner, after appropriate consultation with the entity/issuer; | Chapter III | 17-(a)
(19) PACRA reviews all the outstanding ratings periodically, on annual basis; Provided that public dissemination of annual review and, in an instance of change in rating will be made; | Chapter III | 17-(b)
(20) PACRA initiates immediate review of the outstanding rating upon becoming aware of any information that may reasonably be expected to result in downgrading of the rating; | Chapter III | 17-(c)
(21) PACRA engages with the issuer and the debt securities trustee, to remain updated on all information pertaining to the rating of the entity/instrument;| Chapter III | 17-(d)
Probability of Default
(22) PACRA´s Rating Scale reflects the expectation of credit risk. The highest rating has the lowest relative likelihood of default (i.e., probability). PACRA´s transition studies capture the historical performance behavior of a specific rating notch. Transition behavior of the assigned rating can be obtained from PACRA´s Transition Study available at our website. (www.pacra.com). However, actual transition of rating may not follow the pattern observed in the past; | Chapter III | 14-3(f)(vii)
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