

# Press Release

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## **VIS Assigns Initial Broker Fiduciary Rating to Muhammad Munir Muhammad Ahmed Khanani Securities Limited**

Karachi, November 19, 2021: VIS Credit Rating Company Ltd. (VIS) has assigned initial Broker Fiduciary Rating of 'BFR2' to Muhammad Munir Muhammad Ahmed Khanani Securities Limited (MMMAKSL). The assigned rating denotes strong fiduciary standards. Outlook on the assigned rating is 'Stable'.

The rating signifies sound internal controls, financial sustainability and client services while ownership and governance is considered adequate.

Overall internal control framework is sound; however, the scope of internal policies including Employee Trading Policy may be further enhanced. Segregation of internal audit and compliance department has been noted positively. The company is geographically diversified and offers enhanced customer experience through mobile-based trading and complaint management systems. Overall client relationship has been observed to be sound.

Board of directors consists of five members including two independent directors. There is one board committee, which oversees the audit function. Increasing the size of the board by inclusion of independent and certified directors will facilitate formation of more independently represented board committees.

In line with market trend, MMMAKSL's profitability increased significantly on the back of higher operating revenue, combined with substantial capital gains on investments in FY21. Market risk has increased due to the company's active participation in proprietary trading during FY21. Liquidity profile of the company remains adequate, while capitalization indicators also remained in manageable ranges and need to be maintained. The company has maintained a low cost to income ratio on a timeline basis. Going forward, increasing revenue streams and market share while reducing leverage would be important.

Muhammad Munir Muhammad Ahmed Khanani Securities Limited is an unlisted public limited company, principally engaged in provision of equity and commodity brokerage services to retail and institutional clients. Major shareholding is vested with the Mr. Muhammad Munir. The company operates through its offices in Karachi, Lahore, Hyderabad and Islamabad. The company holds a Trading Right Entitlement Certificate (TREC) for Trading & Self Clearing services issued by the Pakistan Stock Exchange Limited (PSX).

For further information on this rating announcement, please contact Ms. Sara Ahmed (Ext: 207) or the undersigned (Ext: 201) at (021) 35311861-66 or email at [info@vis.com.pk](mailto:info@vis.com.pk)

Javed Callea  
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Applicable Rating Criteria: Broker Fiduciary Ratings 2021:  
<https://docs.vis.com.pk/docs/BrokerFiduciary012021.pdf>

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