

## BROKER MANAGEMENT RATING REPORT

### Fortune Securities Limited

**REPORT DATE:**

June 18, 2025

**RATING ANALYSTS:**

Shaheryar Khan Mangan

[shaheryar@vis.com.pk](mailto:shaheryar@vis.com.pk)

Rating Category	Latest Rating
Broker Management Rating	<b>BMR2</b>
Rating Rationale	The rating signifies strong external control framework, sound client relationship and HR and infrastructure, internal control framework and risk management while regulatory requirement and supervision and financial management are considered adequate.
Rating Date	June 18, 2025

#### COMPANY INFORMATION

Incorporated in 1994	External auditors: M/s Naveed Zafar Ashfaq Jaffery & Co. – Chartered Accountants
Public Unquoted Company	Chairman of the Board: Mr. Shahid Ali
Key Shareholders (with stake 5% or more):	Chief Executive Officer: Mr. Anis Ur Rahman
Mr. Anis Ur Rahman ~48%	
Ms. Shamama Arif Rahman ~39.99%	
Mr. Nabeel Tajammal ~7.99%	

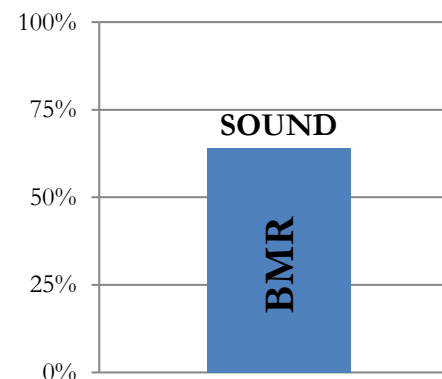
#### APPLICABLE METHODOLOGY & RATING SCALES

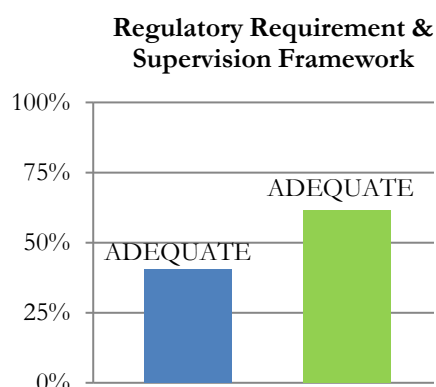
**Applicable Rating Criteria: Broker Management Rating**
<https://docs.vis.com.pk/Methodologies%202024/Broker-Management.pdf>
**VIS Issue/Issuer Rating Scale:**
<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

#### Corporate Profile

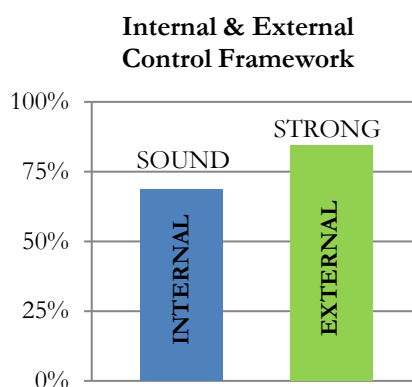
Fortune Securities Limited (FSL) is a public unlisted company incorporated in 1994. The Company is principally engaged in brokerage of shares, securities, commodities, research, and other financial instruments. Major shareholding of the Company is vested with Mr. Anis Ur Rahman who serves as the Chief Executive Officer of the company. FSL runs its operations through two of its registered offices located in Karachi.

Fortune Securities Limited has a TREC (Trading Right Entitlement Certificate) for Trading and Self-Clearing Services granted by Pakistan Stock Exchange Limited (PSX). External auditors of the company are M/s Naveed Zafar Ashfaq Jaffery & Co. – Chartered Accountants. Auditors belong to category 'A' on the approved list of auditors published by the State Bank of Pakistan (SBP).

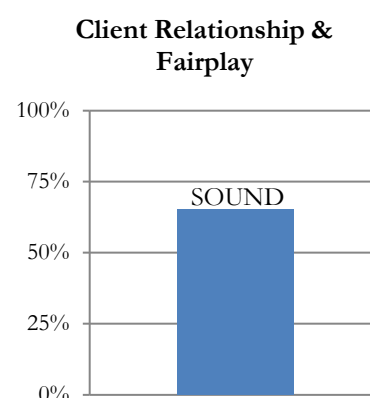


**Rating Factors Scores**


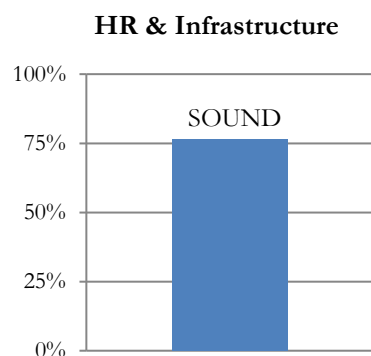
- At present, the Company has three directors on the board with no independent representation. Governance and management oversight may be improved by increasing board size and inducting independent, certified directors
- Acquiring additional license may provide support to the Company's revenue base.



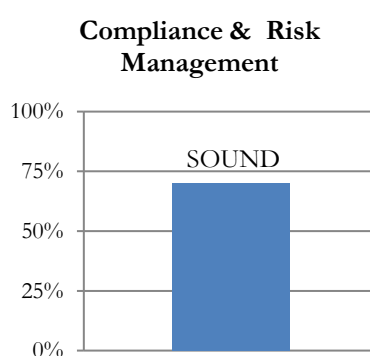
- While the Company has Internal policies in place, further enhancement in the scope of these policies may further enhance the Company's internal control framework.
- Dissemination of conflict-of-interest policy with both staff and customers may bode well for the internal control framework of the Company.
- External control framework of the Company is considered strong.



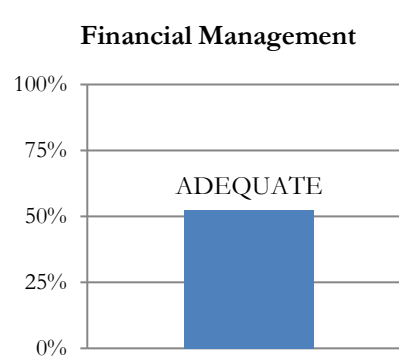
- The Company's client services procedures is supported by the provision of various electronic trading platforms through mobile and web-based trading to ensure seamless trade transactions. However, client grievance procedures may be more pronounced for greater visibility on the website.
- Providing prompt alerts to clients upon trade execution may be considered for enhancing the Company's client services features.
- Expanding geographical presence may further contribute to the Company's business growth.



- The Company's organizational structure aligns with its scale of operations.
- The Contingency measures of the Company may be further strengthened by outsourcing offsite backups at third party warehouse.



- Overall, the Company's compliance and risk management are considered sound, with independently functioning internal audit and compliance departments, which bodes well for its risk framework.



- During FY24 and HFY25, the Company exhibited notable growth in brokerage revenue, in line with upward trend in the industry, recording at PKR 101m and PKR 57m respectively (FY23: PKR 72m).
- The Company's cost-to-income in FY24 were elevated at ~144%, denoting weak operational efficiency, before moving downwards to ~74% in HFY25.
- The Company's liquid assets provide adequate coverage of 1.1x against its total liabilities as at Dec'24 (Jun'24: ~33%, Jun'23: ~22%), indicating improvement in the liquidity profile.
- Market risk of the Company is considered minimal.
- The Company's capitalization profile is supported by small debt on its books, with gearing and leverage ratios standing at 0.14x and 1.54x as at Dec'24 (Jun'24: 0.32x and 1.70x, Jun'23: 0.51x and 1.55x) respectively.
- Going forward, enhancement in revenue and profitability along with improvement in operational efficiency and liquidity profile as well as maintenance of capitalization indicators will be important for the rating.

REGULATORY DISCLOSURES				Appendix I
<b>Name of Rated Entity</b>	Fortune Securities Limited			
<b>Sector</b>	Brokerage			
<b>Type of Relationship</b>	Solicited			
<b>Purpose of Rating</b>	Broker Management Rating (BMR)			
<b>Rating History</b>	<b>Rating Date</b>	<b>Rating</b>	<b>Rating Outlook</b>	<b>Rating Action</b>
	<b>RATING TYPE: BMR</b>			
	18/06/2025	BMR2	Stable	Reaffirmed
	27/02/2024	BMR2	Stable	Reaffirmed
	22/11/2022	BMR2	Stable	Reaffirmed
	12/ 10/ 2021	BMR2	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.			
<b>Disclaimer</b>	Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Copyright 2025 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.			