Press Release

VIS Reaffirms Broker Fiduciary Rating of FDM Capital Securities (Private) Limited

Karachi, March 26, 2026: VIS Credit Rating Company Ltd. (VIS) has reaffirmed Broker Fiduciary Rating of ‘FDM Capital Securities (Private) Limited (FDMCSL) at ‘BFR3’. Rating of BFR3 denotes good fiduciary standards. Outlook on the assigned rating is ‘Stable’. Previous rating action was announced on April 15, 2025.

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

FDM Capital Securities (Private) Limited (FDMCSL) was incorporated in July 2001 and is principally engaged in brokerage of shares in ready and future market for local retail clients. The Company holds Trading Rights Entitlement Certificate (TREC) for Trading & Self Clearing Services granted by Pakistan Stock Exchange Limited (PSX) and has also acquired membership of the Pakistan Mercantile Exchange Limited & Commodities Exchange (PMEX.) The Company operates from its registered office located at Pakistan Stock Exchange Building in Karachi, Pakistan. External auditors of the Company are M/s Rahman Sarfaraz Rahim Iqbal Rafiq – Chartered Accountants. External auditors are in category ‘A’ of the approved list of auditors published by the State Bank of Pakistan (SBP).

Assigned rating takes into account the Company’s governance framework, which remains constrained by a small board size. Expansion of the board along with inclusion of independent and certified directors may further strengthen the governance framework and enhance oversight through the formation of additional board committees with a more diverse composition. The rating also takes into account the Company’s management and client services, with online trading platforms in place to ensure seamless trade transactions. However, availability of research materials on website may further improve the client services of the Company. Moreover, greater visibility of investor grievance procedure may further strengthen the same. Additionally, The Company may also consider undertaking advertising and promotional activities for expanding its customer reach. Contingency measures of the Company may be further strengthened through outsourcing offsite backups at a third-party warehouse as well as increasing the frequency of disaster recovery exercises. While internal policies are in place, enhancing the scope of these policies along with formulating a separate conflict of interest policy may further enhance the internal control framework of the Company. Rating also takes note of non-compliances highlighted during the joint inspection of the Company along with the non-compliance highlighted during the thematic review by PSX and the penalty imposed thereon. Going forward, adherence to all applicable regulations will remain important from a ratings perspective.

Assessment of the Company’s financial profile reflects strong profitability during FY25 and 1HFY26, driven by higher brokerage revenues followed by unrealized and realized gains. Consequently, the operational efficiency of the Company improved. Marker risk of the Company is assessed as high while liquidity profile is considered sound. Low-leveraged balance sheet continues to support the capitalization profile of the Company. Going forward, enhancing, and diversifying revenue base, along with improvement in market risk and operational efficiency, as well as maintenance of liquidity profile and capitalization indicators will remain important for the assigned rating.

For further information on this rating announcement, please contact at 021-35311861-64 or email at info@vis.com.pk.

Applicable Rating Criteria: Broker Fiduciary Ratings:
https://docs.vis.com.pk/Methodologies-2025/BrokerFiduciaryRating-Nov25.pdf
VIS Rating Scale
https://docs.vis.com.pk/docs/VISRatingScales.pdf