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Press Release

Date: 21-Nov-25

PACRA Maintains Broker Fiduciary Rating of Spectrum Securities Limited

Rating Details	**Rating Type**	**BFR**	
	Dissemination Date	**Current (21-Nov-25)**	**Previous (21-Nov-24)**
	Action	Maintain	Maintain
	Rating	BFR 3+	BFR 3+
	Outlook	Stable	Stable
	Rating Watch	-	-

Rating Rationale	**Factor**	**Comment**
	Ownership	Mr. Muhammad Owais is the primary sponsor, holding approximately 97% of the Company's shares. He has consistently injected capital to support the growth of operations, demonstrating notable business acumen and a strong commitment to the Company's long-term development
	Governance	The company has a compact board of three directors. The inclusion of an independent director and its presence in the board committees will provide additional oversight and strengthen governance framework.
	Management and Client Services	The ratings benefit from an experienced and qualified management team. Further segregation of key management roles can enhance the organizational structure. Client services are considered adequate, supported by on demand research services and online trading platforms.
	Internal Controls and Regulatory Compilance	The separation of internal audit and compliance functions provide a sound control framework. Oversight can be further strengthened by including an independent director in the Board & Audit Committee.
	Business Sustainability	The Company's market share stands at ~1.31% in FY25, with brokerage revenue rising to PKR 190.34 million amid strong market volumes and values. While the proprietary book saw a decline in net value, its small scale keeps earnings primarily driven by core brokerage operations.
	Financial Sustainability	The Company has an adequate capitalization level with regulatory Liquid Capital Balance (LCB) standing it at ~PKR 193.88mln at end-Jun'25. The Company's equity stood at ~PKR 423.33mln at end-Jun'25.

Key Rating Drivers	The rating reflects the Company's adequately structured governance framework and a generally stable management team that has supported consistent operational performance. Fiduciary practices, particularly in client servicing, compliance, and core risk oversight remain satisfactory, although gradual enhancements would strengthen the overall control environment. The inclusion of an independent director on the Board may further enhance oversight quality and strengthen the governance of existing board committees. Going forward, deepening management capacity, refining internal control mechanisms, incrementally strengthening client-protection, improving grievances mechanisms and conflict-management frameworks will remain important for sustaining and improving the fiduciary profile. Nonetheless, the rating remains constrained by its dependence on overall market dynamics for profitability.

About the Entity	**Legal Structure**	Public Limited
	Year of Establishment	27-Oct-14
	Type of License	Trading and Self-clearing
	Majority Ownership	Mr. Muhammad Owais | ~97%

Regulatory Disclosures	**Analyst**	**Applicable Criteria**	**Related Research**
	Anam Waqas Ghayour anam.waqas@pacra.com +92-42-35869504 www.pacra.com	Assessment Framework | Broker Fiduciary Rating | Jan-25	Sector Study | Brokerage Firms | Feb-25

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