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Applicable Criteria

- Assessment Framework | Broker Management Rating | Sep-25

Related Research

- Sector Study | Brokerage Firms | Feb-25

PACRA Maintains Broker Management Rating of Spectrum Securities Limited

Rating Type	Broker Management	
	Current (21-Nov-25)	Previous (21-Nov-24)
Action	Maintain	Maintain
Long Term	BMR3+	BMR3+
Short Term	-	-
Outlook	Stable	Stable
Rating Watch	-	-

Spectrum Securities Limited (“SSL” or the “Company”) is a public unlisted brokerage house primarily engaged in providing equity brokerage services to institutional, HNW, and retail clients. During FY25, the brokerage industry benefited from improved macroeconomic conditions and significant monetary easing, which supported elevated traded volumes and investor reallocation toward equities. SSl's experienced management effectively capitalized on this environment, with brokerage revenue rising to ~PKR 190.34 million (FY24: ~PKR 118.83 million), aligned with strong market-wide activity (volumes: 212,834mn shares; value: PKR 9.79trn). The Company maintains a small proprietary book of ~PKR 18.29 million, carrying an unrealized loss of ~PKR 5.15 million and yielding a net value of ~PKR 13.13 million, equivalent to ~3% of total equity. While the limited scale constrains market risk exposure, formalizing a comprehensive proprietary trading policy would further enhance oversight in line with sound risk-management practices. SSL's equity base of ~PKR 423.33 million provides adequate financial strength and a comfortable buffer over regulatory requirements. As a public unlisted entity, SSL operates under an adequate governance framework; however, expanding board size and inducting independent and/or certified directors would enhance strategic oversight and support the formation of specialized committees. The management maintains separate internal audit and compliance functions, supported by documented policies. Strengthening internal audit staffing and increasing the frequency of structured reporting would further augment the control environment. Operational controls and client-servicing mechanisms remain satisfactory. The Disaster Recovery and Business Continuity Plan, tested during an adverse event, ensures operational resilience. Online trading platforms, research dissemination, and routine monitoring systems support client servicing. Enhancing website disclosures (research reports, commission rates) may also improve transparency and client experience. Overall, the rating reflects SSL’s experienced management team, adequate governance and risk-management framework, and consistent operational performance, while highlighting areas for progressive enhancement in oversight depth, policy formalization, and client-servicing processes.

Going forward, maintaining a sound governance framework, stable management, and strengthening risk management and internal controls will remain central to the rating. Continued enhancement of client servicing and process efficiency will support competitive positioning, while consistent brokerage revenues, gradual income diversification, and a prudent liquidity and capitalization profile will be key performance considerations. Effective management of market-related risks and operational resilience will likewise remain essential to sustain rating stability.

About the Entity

Spectrum Securities Limited ('the Company') was incorporated in Pakistan on October 27, 2014 as a private company under the Companies Ordinance, 1984 (which has now been repealed by the enactment of the Companies Act, 2017 in May 2017). On January 12, 2018, the status of the Company was changed to public unlisted company. The Company is a Trading Right Entitlement Certificate Holder of the Pakistan Stock Exchange Limited and is duly registered with the SECP. The Company's Board of directors comprises of three individuals including the CEO - Mr. Ahmed Nabeel, who has an extensive experience in the field of capital markets spanning over twenty-five years. Mr. Umair Arif, executive director, serves as Head of Compliance, while Mr. Muhammad Haris is a non-executive director.

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