



Rating Action

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PACRA maintains Entity Ratings of JS Global Capital Limited

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and short term entity ratings of JS Global Capital Limited (JSGCL) at 'AA' (Double A), and 'A1+' (A One Plus) respectively. The ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

The ratings reflect JSGCL's prominent position in the brokerage industry emanating from an established franchise, large market share, and sound operating platform. The ratings incorporate JSGCL's robust financial profile characterized by its un-leveraged capital structure and strong risk absorption capacity owing to its healthy liquidity profile. The company's investment portfolio, in compliance with its Investment Policy Statement to invest in 'A' and above rated avenues, is dominated by bank placements (rated A+ and above) and spread transactions which provide a stable stream of income. The investment book also remains a source of comfort amidst inherently volatile brokerage volumes. Moreover, prohibition in proprietary trading in equities limits the company's exposure to market risk. The ratings recognize JSGCL's parentage - JS Bank. JS group carries extensive experience in capital markets.

The ratings are dependent on the company's ability to effectively leverage extended outreach to enhance penetration in the retail market. Herein, augmenting its market share and effective marketing of its on-line platform would further enhance JSGCL's business profile. Moreover, further strengthening of the strong internal control framework and retention and nurturing of key human resources remain imperative for JSGCL.

About the Company:

JSGCL, commercial operations starting in May 2003, carries the legacy of stock brokerage business started in the early seventies by Mr. Jahangir Siddiqui. Its main activities include equity brokerage, corporate finance, financial advisory, forex, commodities, and money market transactions. JS Bank Limited is the major shareholder of JSGCL holding 51% of the shares. The other major shareholder (44%) is Global Investment House Limited (GIH). JS Bank is the subsidiary of Jahangir Siddiqui & Co. Ltd.

The board of JSGCL comprises eight experienced professionals. Two members represent JS Bank. GIH has also nominated three well-qualified and resourceful members. The remaining two members are independent directors. During the period two directors resigned from the board. Mr. Kamran Nasir, the CEO, carries over sixteen years of experience in the financial sector. He is supported by an able team.

Applicable Criteria and Related Research

- Brokerage Industry - Viewpoint | Nov-15
- Securities Brokers Entity Rating Methodology

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