



**Date**

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**Analyst**

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**Applicable Criteria**

- Securities Broker Entity Rating Methodology (Mar 16) [\[View\]](#)

**Related Research**

- Sector Study | Securities Brokers (Nov 16) [\[View\]](#)

**PACRA Maintains Entity Ratings of JS Global Capital Limited**

Rating Type	Entity	
	Current (10-Mar-2017)	Previous (11-Mar-2016)
<b>Action</b>	Maintain	Maintain
<b>Long Term</b>	AA	AA
<b>Short Term</b>	A1+	A1+
<b>Outlook</b>	Stable	Stable
<b>Rating Watch</b>	-	-

The ratings reflect JSGCL's prominent position in the brokerage industry emanating from an established franchise with sizeable and growing market share, and a 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 has adopted a dynamic approach towards further enhancing the market share, branch network, software development, while developing new products. 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 equity 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 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 Entity**

JSGCL, with commercial operations starting in May 2003, carries the legacy of stock brokerage business initiated in the early seventies by Mr. Jahangir Siddiqui. The company operates through eight branches; Lahore, Islamabad, Faisalabad, Abbottabad, Peshawar, Multan, and Hyderabad besides head office based in Karachi. Its main activities include brokerage, corporate finance, financial advisory, forex, and money market activities. The company is listed on Pakistan Stock Exchange (PSX). JS Bank Limited (JSBL) and Global Investment House (GHI) are the major shareholders of the company each holding 67% and 27% stake in JSGCL, respectively. Along with brokerage services, JSGCL provides financial advisory services as well.

The board of directors (BoD) of JSGCL comprises eight experienced professionals which includes CEO. Three members represent JSBL. GIH has also nominated three well-qualified and resourceful members. The remaining one member is independent director. During CY16, Syed Hasan Akbar Kazmi replaced Mr. Basir Shamsie as Chairman of the Board. Mr Kazmi carries vast experience in financial industry with experience across diverse sectors. In addition to that, Mr. Muhammad Khalil ur Rehman, Mr. Junaid Imran and Mr. Munir Hasan Taher has replaced Mr. Muhammad Yousuf Amanullah, Mr. Farid Arshad Masood and Mr. Fouad Fahmi Darwish as representative on the Board. Mr. Muhammad Kamran Nasir, the CEO, is a seasoned professional with nearly eighteen years of experience in the financial sector, including Investment Banking, Brokerage and Audit.

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The primary function of PACRA is to evaluate the capacity and willingness of an entity to honor its obligations. Our ratings reflect an independent, professional and impartial assessment of the risks associated with a particular instrument or an entity. PACRA's comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings. PACRA opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or suitability for a particular investor.