

Date

14-Dec-21

Analyst

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Applicable Criteria

- Methodology | Broker Management Rating | Jul-21

Related Research

- Sector Study | Brokerage & Securities | Jan-21

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PACRA Maintains Broker Management Rating of JS Global Capital Limited

Rating Type	Broker Management	
	Current (14-Dec-21)	Previous (14-Dec-20)
Action	Maintain	Maintain
Long Term	BMR1	BMR1
Short Term	-	-
Outlook	Stable	Stable
Rating Watch	-	-

The rating reflects JS Global Capital Limited's ("JSGCL" or "The Company") leading position in the brokerage industry and carries the legacy of stock brokerage business. The rating incorporates the stable market share, competitive position, automated technological framework and exclusive outreach to retail segment. JSGCL has a well experienced management team, sound governance framework and well established compliance protocols which bodes well for the rating. The Company has implemented strong control environment to deliver quality service to its clients. The internal audit function of the Company is outsourced to 'category 'A' auditor which further strengthen the control environment. The rating derives comfort from the company's investing policy, limiting the market risk and liquidity risk. Assessment of earning profile indicates swift escalation parallel with the improvement in traded volumes of the stock market. The advisory and consultancy income also intensified during 9MCY21. The rating also reflects the company's strong financial profile with Net Capital Balance of ~PKR 870mln at end-Sep'21. Furthermore, JSGCL has zero leveraging structure. Going forward, with a focus to provide quality services and continue to be a market leader, the company has deployed an internationally acclaimed brokerage house software 'Mubasher' in parallel to its existing system and implemented internally. The rating take into account the Company's association with a leading financial group,'JS Group' of the country. Strengthened market share, sustainable profits, sound internal controls, client relationship, HR & IT services and risk management framework, regulatory compliance, external control environment will remain imperative. Further, rational diversification of business activity may provide support to the company's overall financial risk profile.

About the Entity

JS Global, with commercial operations starting in May 2003, carries the legacy of stock brokerage business initiated in the early seventies by Mr. Jahangir Siddiqui. With its head office based in Karachi, the company operates with eight branches across the country. Its main activities include brokerage, corporate finance, financial advisory, forex, and money market activities. The company is listed on the Pakistan Stock Exchange (PSX). JS Bank Limited (JSBL) is the major shareholder of the company holding ~93% stake in JS Global Capital Ltd. Along with brokerage services, JS Global provides financial advisory services as well. The board of directors (BoD) of JS Global comprises eight experienced professionals, including the CEO.

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.