

## Date

13-Dec-24

## Analyst

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## Applicable Criteria

- Assessment Framework |  
Broker Management Rating  
| Nov-23

## Related Research

- Sector Study | Brokerage &  
Securities | Jan-24

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## PACRA maintains Broker Management Rating of JS Global Capital Limited

Rating Type	Broker Management	
	Current (13-Dec-24 )	Previous (14-Dec-23 )
Action	Maintain	Maintain
Long Term	BMR1	BMR1
Short Term	-	-
Outlook	Stable	Stable
Rating Watch	-	-

JS Global Capital Limited ('JSGCL' or the 'Company') has a leading presence in the brokerage space. The Company's strategic focus on enhancing its retail footprint enhanced its market share further. JSGCL is engaged in equity and commodity brokerage, while operations are well supported through MFS/MTS, corporate finance, and money market operations. CY24 has been a boon for the brokerage industry so far, with the reduction in interest rates providing the impetus to institutions to shift their fixed income exposures towards the equity market. Moreover, improving macroeconomic indicators renewed investor sentiments, with the KSE-100 Index breaching previous historic high levels on a regular basis. The assigned ratings reflect the strong business acumen and diversified portfolio of the sponsoring group, as well as the robust governance framework in place. JSGCL's organizational structure is well-established, with most department heads reporting directly to the CEO. The management team is experienced, and the internal control framework is thorough and reliable. During the year, Mr. Khalilullah Usmani, who has been with JSGCL for over a decade, succeeded Mr. Imtiaz Gadar as CEO. JSGCL has strong client services, with customers able to access reward-winning research reports and online portal for efficient decision making. The Company's strong compliance framework, coupled with group-level internal audits, further enhances its control environment. The Company has developed a comprehensive Disaster Recovery and Business Continuity Plan to address potential unforeseen events. JSGCL's revenue surged by ~71% during 9MCY24, with the Company earning ~PKR 812mln during the period (SPLY: ~PKR 476mln). Net profitability improved an impressive ~157%, with the Company earning ~PKR 227mln during 9MCY24 (SPLY: ~PKR 88mln). JSGCL has a strong equity base of ~PKR 2,686mln at end-Sep'24 (SPLY: ~PKR 2,452mln).

Going forward, pivotal factors from the rating perspective include the growth of core income, the management's capacity to sustain market share, and the expansion of revenue volumes and diversity to strengthen its competitive position in the brokerage sector. Additionally, maintaining robust internal controls, retaining key management personnel, and closely monitoring risks will be essential.

### About the Entity

JS Global Capital Limited was incorporated as a private limited company in 2000. Subsequently, the Company obtained a listing on the Pakistan Stock Exchange in 2005. JS Bank Limited (JSBL) is the major shareholder of JSGCL with an ownership stake of ~93%. The remaining shares are vested with the general public and other market participants. The sponsoring group has established a considerable presence in major sectors of Pakistan's economy. The group's companies are involved in trading securities, maintaining strategic investments, investment advisory, brokerage, asset management, agency telecommunication, commercial banking, power generation, and other businesses. The Company's Board of Directors (BoD) comprises eight members, including three independent directors, four non-executive directors, and one executive director (CEO). The board is currently chaired by Mr. Shahab Anwar Khawaja, an independent director.

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.