

Press Release

Date: 14-Dec-23

PACRA MAINTAINS BROKER FIDUCIARY RATING OF JS GLOBAL CAPITAL LIMITED

Rating Details	Rating Type	BFR	
	Dissemination Date	Current (14-Dec-23)	Previous (14-Dec-22)
	Action	Maintain	Maintain
	Rating	BFR 1	BFR 1
	Outlook	Stable	Stable
	Rating Watch	-	-

Rating Rationale	Factor	Comment
	Ownership	The assigned rating takes into account the Company's affiliation with 'JS Group', one of the leading conglomerates in the country. The Company is ~93% owned by JS Bank Limited.
	Governance	Being a listed entity, the governance framework is robust, comprising of eight members which includes three independent directors, four non-executive directors, and one executive directors. Board committees are chaired by independent directors, strengthening oversight.
	Management and Client Services	The rating draws comfort from a strong multitier organizational structure and an experienced qualified management team. Well drafted policies are in place to ensure high quality of client services.
	Internal Controls and Regulatory Compliance	JSGCL maintains a robust control environment reinforced by a group-level internal audit that reports directly to the audit committee.
	Business Sustainability	The Company has managed to outperform the market during 9MCY23, with market volumes increasing by ~13% as compared to SPLY, while JSGCL's topline grew by an impressive ~51%. Moreover, income from MTS/MFS and corporate finance also aids the topline.
	Financial Sustainability	JSGCL does not engage in Proprietary-Book, thus minimizing market risk. Capitalization indicators are strong with a low leveraged capital structure.

Key Rating Drivers	Details
	JS Global Capital Limited ('JSGCL' or the 'Company') is focused on solidifying its business model by advancing digital transformation and diversity in revenue streams. This strategic direction will be reinforced by a heightened focus on onboarding new retail clientele, aiming to elevate the company's capabilities and market positioning. The market share of the Company has also shown improvement during 9MCY23. Going forward, it is imperative from a ratings perspective to maintain topline growth, revenue diversification, and profitability. Moreover, retention of key management personnel remains critical.

About the Entity	Legal Structure	Listed
	Year of Establishment	28-Jun-00
	Type of License	Trading and Self-clearing
	Majority Ownership	JS Bank Limited

Regulatory Disclosures	Analyst	Applicable Criteria	Related Research
	Hassaan Ahmad Hassaan.Ahmad@pacra.com +92-42-35869504 www.pacra.com	Methodology Broker Fiduciary Rating Jan-23	Sector Study Brokerage & Securities Jan-23

Disclaimer	Text
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