



Rating Action

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PACRA MAINTAINS ENTITY AND TFC RATINGS OF JAHANGIR SIDDIQUI & CO. LIMITED

PACRA has maintained the long-term and short-term entity ratings of the company at "AA" (**Double A**) and "A1+" (**A One Plus**), respectively. Meanwhile, the rating of the TFCs issues of PKR 1,100mln and PKR 1,250mln has also been maintained at "AA" (**Double A**). These ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

The ratings reflect strong risk absorption capacity of the company emanating from sound equity structure and sizeable strategic investment portfolio with considerable liquidity. This helps the company in managing its financial risk as well. Although the company's significant exposure to inherently volatile stock market exposes its earnings to high vulnerability, the management has sound controls in place to manage the associated risks. JSCL's strategic book is mainly equity financed and leveraging is largely a function of its trading portfolio, which currently is modest in size, hence significant deleveraging. Meanwhile, the management's effort to strengthen its overall systems and controls, and plans to put in place a vibrant performance monitoring mechanism for its subsidiaries bodes well for the company.

About the company

JSCL, listed on KSE, was established in 1991. Starting as a traditional securities firm, JSCL has now acquired the status of an investment holding company for JS Group with focus on the financial sector, including asset management, brokerage, banking, micro finance and insurance. Its non-financial interests include textile, fertilizer, media services, and transport.

Mr. Jahangir Siddiqui directly (43%) and through family companies(8%) remains the largest shareholder in JSCL. Seven members BoD includes two JS family members - Mr. Ali Jahangir Siddiqui and Mr. Munawar Alam Siddiqui - alongwith four other group nominees. The remaining one director represents minority shareholders. The CEO of the company, Mr. Munaf Ibrahim, is an experienced professional and has been with the company since 1993.

Debt Instruments

JSCL's third unsecured TFC was matured during 2010. The fourth secured TFC was issued in Nov06 with principal redemption due in two equal installments beginning 60th month (Nov11). JSCL issued its fifth secured TFC issue in July07 for a tenor of 6 years with principal redemption due in two equal installments beginning 66th month (Jan13).

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