

Jahangir Siddiqui & Co. Ltd.

CREDIT RATING REPORT | JUL-25



Rating History

Dissemination Date	Long-Term Rating	Short-Term Rating	Outlook	Action	Rating Watch
25-Jul-25	AA	A1+	Stable	Maintain	-
26-Jul-24	AA	A1+	Stable	Maintain	-
27-Jul-23	AA	A1+	Stable	Maintain	-
29-Jul-22	AA	A1+	Stable	Maintain	-
30-Jul-21	AA	A1+	Stable	Maintain	-

About the Entity

Jahangir Siddiqui & Co. Ltd. ('JSCL' or 'the Company'), a successor to the brokerage business started in the early seventies by Mr. Jahangir Siddiqui, was established in 1991 and is listed on the Pakistan Stock Exchange (PSX). JSCL, JS Group's flagship holding company, has a portfolio of investments categorized into a) core investments (subsidiaries), b) strategic investments and c) trading investments. Investments in the financial segment dominate the portfolio with a significant concentration in the banking and insurance sectors. Other investments are in the energy, petroleum, and infrastructure sectors. Justice (R) Agha Rafiq Ahmed Khan is Chairman of the BoD, while, Mr. Asad Nasir heads the Company as CEO.

Rating Rationale

The ratings of Jahangir Siddiqui & Co. Ltd. (JSCL or "the Company") reflect its prominent standing as a well-diversified investment holding company with a strong presence in Pakistan's financial services sector. JSCL serves as the flagship holding company of the JS Group, overseeing a diversified investment structure through both direct and indirect ownership. JSCL maintains a well-diversified and strategically structured investment portfolio, encompassing significant positions across the financial services spectrum—including Conventional and Islamic Banking, Asset Management, Securities Brokerage, Investment Banking and Insurance. In addition, the Company retains full ownership of subsidiaries operating in petroleum, infrastructure development, and telecommunications sector. This extensive sectoral exposure underpins JSCL's long-term growth trajectory and reinforces its risk-mitigation framework. JSCL maintains 100% ownership of Energy Infrastructure Holding (Private) Limited (EIHPL), JS Infocom Limited. This integrated and multi-tiered corporate structure reflects JSCL's strategic focus on sectoral diversification and operational synergy across both domestic and international fronts. JSCL benefits from its long-term investment and capital allocation strategy, enabling it to navigate macroeconomic challenges while generating sustainable value for its shareholders. The consolidated asset base of PKR 1.378 trillion enhances the Company's financial strength, investment capacity, and credibility, enabling it to absorb risks and pursue strategic growth. Dividend income from strategic and short-term investments remains a vital revenue stream, with additional support from interest income. As of Dec24, the Company reported total investment income of PKR 1,090mln, of which a substantial 87% (PKR 955 mln) was derived from dividend income, reflecting a strong reliance on stable equity returns. A strong equity base of PKR 31bln and no exposure to borrowings, is reflecting its strong financial management. JSCL continues to uphold best practices in corporate governance and risk management, supported by an experienced board, dedicated committees, and independent oversight. It also actively pursues Environmental, Social, and Governance goals, including initiatives promoting diversity, financial inclusion, and community impact. Supported by its group entities and a disciplined capital structure, JSCL is well-positioned to capitalize on strategic growth opportunities and reinforce its position as a leading investment holding company in Pakistan.

Key Rating Drivers

The ratings are dependent on the management's ability to execute its envisaged strategy of growth and expansion amidst the prevailing tough environment. Timely materialization of these initiatives into sustainable ventures is critical. Strong performance of subsidiaries, stable dividends, and effective management of financial profile and liquidity remains important.

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METHODOLOGY

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RELATED RESEARCH

- Sector Study | Holding Companies | Jun-25



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Jahangir Siddiqui & Co. Ltd.

RATING ANALYSIS



Profile

Background Jahangir Siddiqui and Co. Ltd. (JSCL), successor to brokerage business started in early seventies by Mr. Jahangir Siddiqui, was established in 1991. Starting as a traditional securities firm, JSCL is now the main investment arm for Mr. Jahangir Siddiqui's (JS) business interests.

Structural Analysis JSCL's structure encompasses holding investments of JS Group in various sectors of the economy. JSCL's portfolio of investments is categorized into a) Core Investments (56%), b) Strategic Investment (33%) and c) Trading Investments (10%). Investments in the financial segment dominate the portfolio – significant concentration in banking (40%) and insurance (27%) sectors. JSCL maintains 100% ownership of Energy Infrastructure Holding (Private) Limited (EIHPL), JS Infocom. This integrated and multi-tiered corporate structure reflects JSCL's strategic focus on sectoral diversification and operational synergy across both domestic and international fronts.

Ownership

Ownership Structure JSCL's ownership comprises corporate as well as individual shareholding. The former includes Related Parties, Banks, DFIs, NBFCs, Insurance companies, and mutual funds. Whereas the latter comprises sponsoring individuals, Directors, and the general public. Through personal shareholding of Mr. Jahangir Siddiqui and group companies, JS holds a majority stake in the Company.

Stability Ownership is seen as stable as major stake rests with JS and the holding company structure is in place.

Business Acumen JS Group is a well-renowned business group of Pakistan. The group has varied interests in the financial sector, including asset management, financial advisory, brokerage, insurance and banking. JS Group also has investments in industries namely energy, infrastructure, media services, telecom and technology.

Financial Strength JSCL's diversified portfolio has played a key role in strengthening the group's financial position. The group has maintained profitability in recent years, with elevated earnings primarily driven by the equity market's strong performance over the past two years. As of Dec-24, the Company's consolidated asset base stands at PKR 1.378 trillion and equity base stands at PKR 58bln.

Governance

Board Structure JSCL has seven-member Board of Directors (BoD), including the CEO. The Board consists one Executive Director which is the CEO, three non-Executive Directors (including one from the sponsor's family), and three Independent Directors.

Members' Profile Justice (R) Agha Rafiq Ahmed Khan is Chairman of the BoD. He has served as Chief Justice of the Federal Shariat Court of Pakistan and has prudent knowledge of Sharia laws. Asad Nasir is the present Chief Executive Officer of Jahangir Siddiqui & Co Ltd. ("JSCL") Asad Nasir overall has more than 20 years of diversified financial services experience including Private Equity, Corporate Finance Advisory, Capital Market Advisory, Transaction Services and Audit.

Board Effectiveness JSCL's Board constitutes three committees for effective monitoring and oversight. The Board met five times during CY24. The Board's subcommittees include Audit Committee, Executive Committee, HR & Remuneration Committee. These committees play a critical role in driving governance, transparency, and operational accountability. The Board's structured approach enables strategic alignment with long-term corporate objectives while reinforcing risk management and performance oversight.

Transparency KPMG Taseer Hadi & Co., Chartered Accountants are the external auditors of the Company, and they issued an unqualified audit report for year ended Dec-24.

Management

Organizational Structure The Company has optimized its organizational structure as per the needs of the business. There are four major departments including a) Investments, b) Finance, c) Human Resources and Administration, and d) Corporate Affairs. All departments report to the CEO.

Management Team The senior management of JSCL comprises well-qualified and experienced professionals having a relatively long association with the Company. Syed Ali Hasham, the CFO, carries over a decade of experience in Finance, Assurance and in Financial Services, Retail and Aviation sectors. Mr. Muhammad Babar Din serves as the Company Secretary and brings over 17 years of work experience in Financial Institutions with core strengths in financial and managerial reporting.

Management Effectiveness At management level, an Investment Committee (IC) is in place, comprising CEO, CFO and Manager Investments, and it is convened regularly. A performance evaluation of the investment portfolio is carried out focusing on broad parameters wherein identification and evaluation of key factors affecting each investee company are deliberated.

Control Environment The Company has outsourced its internal audit function to M/s Grant Thornton Anjum Rahman, Chartered Accountants. They conduct regular review to monitor and implement investment policies in place.

Investment Strategy

Investment Decision-making The investments oversight framework encompasses the structure whereby board members are represented on the boards of investee companies. Jahangir Siddiqui & Co. Ltd. adopts a long-term, diversified investment strategy focused on financial services, innovation, and sustainable growth. Investments are guided by risk averse capital allocation and value creation across high-potential sectors.

Investment Policy The Company has a prudent investment strategy as it focuses on investing in the financial services sector mostly. These include, life and general insurance, and investment companies. The Company preserves liquidity through its ample dividend income, short term listed securities, and mutual funds.

Investment Committee Effectiveness The IC presents an investment dashboard highlighting performance of investee companies on a quarterly basis. The management has planned new initiatives to strengthen the oversight framework going forward.

Business Risk

Diversification JSCL portfolio of investments is categorized into a) Core Investments (56%), b) Strategic Investment (33%) and c) Trading Investments (10%). JSCL's investment portfolio can be considered fairly diverse, having significant concentration in banking (~40% of total investments) and insurance (~27%) sectors. Others include Energy (~11%), Telecommunication (~5%), Textile (~3%) and other Listed Equities (~14%). Notably, a significant portion of JSCL investments is focused on the banking and insurance sector, making up ~67% of total investments.

Portfolio Assessment The Company has a well-balanced portfolio. The Company's core investments are in listed and Un-listed subsidiaries, strategic investment in listed related party and short-term investments in listed scrips. The marketability/liquidity element of the portfolio constitutes majorly of trading investments with market value of PKR 33bln, providing cushion to generate liquidity

Income Assessment The Company derives approximately 87% of its topline from dividend income, underscoring its strategic reliance on returns from portfolio investments as the primary revenue stream. During CY24, total investment income stood at PKR 1,090 million, supported by consistent dividend from investments. EFU General Insurance Limited and EFU Life Assurance Limited continue to be the principal contributors to the dividend stream, reinforcing their strategic role in the Company's earnings profile.

Financial Risk

Coverages

JSCL's coverage ratios for CY24 reflect strong funding efficiency and prudent financial management. The entity demonstrates strong funding cost efficiency and liquidity. Enhanced liquidity with equity base of PKR 31 billion further reinforces financial stability.

Capital Structure

JSCL has no outstanding borrowings as of CY24, reflecting a strong equity base of PKR 31 billion (CY23: PKR 29 billion) and a low leveraged capital structure. Overall, the capital structure reflects a balanced approach, with equity-backed investments providing growth potential while leveraging remains minimal, supporting the entity's overall credit role and financial flexibility.

Consolidated Position

The Company derives its financial strength from JS Group and subsidiary companies. JSCL consolidated long-term borrowings stood at PKR 26bln as at CY24 (CY23: PKR 22bln) against consolidated equity base of PKR 58bln (CY23: PKR 48bln). Consolidated Income during CY24 increase and stood at PKR 238bln (CY23: PKR 148bln) and following the same pattern profitability stood at PKR 13bln (CY23: PKR 12bln) of JSCL.

Jahangir Siddiqui & Co. Ltd.

(PKR mln)

FINANCIAL SUMMARY



	Mar-25 3M	Dec-24 12M	Dec-23 12M	Dec-22 12M
	Management	Audited	Audited	Audited
A. BALANCE SHEET				
1. Investments	3,213	2,469	2,118	8,371
2. Related Party Investments	30,461	31,333	29,546	23,573
3. Non-Current Assets	217	221	193	202
4. Current Assets	730	247	666	327
5. Total Assets	34,621	34,270	32,522	32,474
6. Current Liabilities	802	611	541	415
7. Borrowings	1,796	1,786	1,871	2,835
8. Related Party Exposure	0	0	0	0
9. Non-Current Liabilities	330	358	332	376
10. Net Assets	31,692	31,515	29,779	28,847
11. Shareholders' Equity	31,692	31,515	29,779	28,847
B. INCOME STATEMENT				
1. Total Investment Income	529	1,085	1,571	1,384
a. Cost of Investments	(10)	(48)	(118)	(246)
2. Net Investment Income	519	1,036	1,453	1,138
a. Other Income	0	6	3	2
b. Operating Expenses	(134)	(414)	(358)	(305)
4. Profit or (Loss) before Interest and Tax	385	628	1,098	835
a. Taxation	(112)	(230)	(807)	(490)
6. Net Income Or (Loss)	273	397	291	345
C. CASH FLOW STATEMENT				
a. Total Cash Flow	117	609	598	757
b. Net Cash from Operating Activities before Working Capital Changes	117	609	476	569
c. Changes in Working Capital	(57)	(350)	1,061	(325)
1. Net Cash provided by Operating Activities	61	259	1,537	244
2. Net Cash (Used in) or Available From Investing Activities	(12)	(92)	(25)	(26)
3. Net increase (decrease) in long term borrowings	0	0	0	(1,113)
4. Net Cash (Used in) or Available From Financing Activities	(0)	(129)	(1,564)	(1,188)
5. Net Cash generated or (Used) during the period	48	38	(52)	(970)
D. RATIO ANALYSIS				
1. Performance				
a. Asset Concentration (Market Value of Largest Investment / Market Value of Equity Investments)	37.5%	40.0%	42.9%	43.8%
b. Core Investments / Market Value of Equity Investments	54.7%	56.4%	60.6%	33.4%
c. Marketable Investments / Total Investments at Market Value	8.2%	5.6%	5.2%	23.6%
2. Coverages				
a. TCF / Finance Cost	66.9	79.7	5.1	3.1
b. TCF / Finance Cost + CMLTB	2.9	4.0	2.4	0.6
c. Loan to Value (Funding / Market Value of Equity Investments)	5.7%	5.4%	6.1%	9.5%
3. Capital Structure (Total Debt/Total Debt+Equity)				
a. Leveraging [Funding / (Funding + Shareholders' Equity)]	5.4%	5.4%	5.9%	8.9%
b. (Funding + Off Balance Sheet Exposure) / Shareholders' Equity	5.7%	5.7%	6.3%	9.8%

Credit Rating

Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument; more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.

Scale	Long-Term Rating
AAA	Highest credit quality. Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments
AA+ AA AA-	Very high credit quality. Very low expectation of credit risk. Indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A+ A A-	High credit quality. Low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be vulnerable to changes in circumstances or in economic conditions.
BBB+ BBB BBB-	Good credit quality. Currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity.
BB+ BB BB-	Moderate risk. Possibility of credit risk developing. There is a possibility of credit risk developing, particularly as a result of adverse economic or business changes over time; however, business or financial alternatives may be available to allow financial commitments to be met.
B+ B B-	High credit risk. A limited margin of safety remains against credit risk. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.
CCC CC C	Very high credit risk. Substantial credit risk "CCC" Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments. "CC" Rating indicates that default of some kind appears probable. "C" Ratings signal imminent default.
D	Obligations are currently in default.

Scale	Short-Term Rating
A1+	The highest capacity for timely repayment.
A1	A strong capacity for timely repayment.
A2	A satisfactory capacity for timely repayment. This may be susceptible to adverse changes in business, economic, or financial conditions.
A3	An adequate capacity for timely repayment. Such capacity is susceptible to adverse changes in business, economic, or financial conditions.
A4	The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions. Liquidity may not be sufficient.

Rating Modifiers | Rating Actions

Outlook (Stable, Positive, Negative, Developing)	Rating Watch	Suspension	Withdrawn	Harmonization
Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business / financial conditions. It is not necessarily a precursor to a rating change. 'Stable' outlook means a rating is not likely to change. 'Positive' means it may be raised. 'Negative' means it may be lowered. Where the trends have conflicting elements, the outlook may be described as 'Developing'.	Alerts to the possibility of a rating change subsequent to, or, in anticipation of some material identifiable event with indeterminable rating implications. But it does not mean that a rating change is inevitable. A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany rating outlook of the respective opinion.	It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.	A rating is withdrawn on a) termination of rating mandate, b) the debt instrument is redeemed, c) the rating remains suspended for six months, d) the entity/issuer defaults., or/and e) PACRA finds it impractical to surveil the opinion due to lack of requisite information.	A change in rating due to revision in applicable methodology or underlying scale.

Surveillance. Surveillance on a publicly disseminated rating opinion is carried out on an ongoing basis till it is formally suspended or withdrawn. A comprehensive surveillance of rating opinion is carried out at least once every six months. However, a rating opinion may be reviewed in the intervening period if it is necessitated by any material happening. Rating actions may include "maintain", "upgrade", or "downgrade".

Note: This scale is applicable to the following methodology(s):

- | | |
|---------------------------------|--------------------------------------|
| a) Broker Entity Rating | e) Holding Company Rating |
| b) Corporate Rating | f) Independent Power Producer Rating |
| c) Debt Instrument Rating | g) Microfinance Institution Rating |
| d) Financial Institution Rating | h) Non-Banking Finance Company |

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- i. The Rating Team or any of their family members have no interest in this rating **(Chapter III; 12-2-(j))**
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- iii. The analyst is not a substantial shareholder of the customer being rated by PACRA **[Annexure F; d-(ii)]**
- iv. Explanation: for the purpose of the above clause, the term "family members" shall include only those family members who are dependent on the analyst and members of the rating committee.

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- iii. PACRA initiates an immediate review of the outstanding rating upon becoming aware of any information that may reasonably be expected to result in downgrading of the rating. **(Chapter III; 17-(c))**
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