



The Pakistan Credit Rating Agency Limited

Rating Report

IMM REIT Management Company Limited

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Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
06-Nov-2025	RM 3	-	Stable	Maintain	-
20-Dec-2024	RM 3	-	Stable	Maintain	-
20-Dec-2023	RM 3	-	Stable	Initial	-

Rating Rationale and Key Rating Drivers

The assigned rating for IMM REIT Management Company Limited ("RMC" or the "Company") reflects the presence of an experienced management team. IMM RMC is owned by i) Mascon Private Limited, ii) Mr. Sheraz Jehangir Monnoo, and iii) Mr. Khizar Ayub Izhar. Mascon Pvt. Ltd. has set its sights on making a mark in the Real Estate Sector coupled with Master Group's vast experience in various industries across the country. Monnoo Group owns 12 Textile units, Agricultural Farms, and extensive research units catering to various agricultural products. Operating within the Real Estate, Construction, and Technology sectors, the Izhar Group of Industries has solidified its position as a leading construction entity in Pakistan. With a robust track record of excellence, Izhar Group has successfully executed numerous significant construction projects. This combination of expertise and diversified industrial experience supports IMM RMC's positioning in the market. IMM RMC has successfully launched its first Real Estate Investment Trust (REIT) scheme, titled "IMM Project One Developmental REIT Scheme. The fund size is set at PKR 7bln. The contribution from Mr. Mazhar Iqbal would be PKR 3.5bln, while the remaining PKR 3.5bln would be collectively provided by Master Textile Mills Ltd, Mr. Sheraz Jehangir Monnoo, and Mr. Khizar Ayub Izhar, each by investing ~ PKR 1.167bln. The acquisition of land for "IMM Project One (Pvt) Ltd (hereinafter referred to as Special Purpose Vehicle (SPV))" is currently underway in a phased manner. The Project is located on land near Bahauddin Zakariya University, Multan. The land area for the project has increased to 807.9 acres. Approximately 438 acres (Land A) will be acquired through a cash outlay, while the remaining 369 acres (Land B) will be obtained by issuing files for developed land as compensation to the respective landowners. The SPV established for the project has already acquired approximately 148 acres out of the total 438 acres and has executed an agreement to sell for the remaining land. The IMM Project One Development REIT is fully self-financed through its installment-based cash flows, requiring no external borrowing beyond the initial PKR 7 billion equity injection. Total inflows of over PKR 90 billion are projected against outflows of about PKR 56 billion, ensuring strong liquidity and timely project execution. Revenue and dividend distributions align with IFRS 15, with returns materializing from Year 5 onward. This financial structure, combining land and equity contributions, lays the foundation for the successful launch of IMM Project One. The dedicated SPV structure for the project would enhance transparency and delineate responsibilities.

The assigned rating reflects RMC's current stage of development, with a structured but evolving approach to project selection and risk management. Future performance will depend on the timely execution of planned projects.

Disclosure

Name of Rated Entity	IMM REIT Management Company Limited
Type of Relationship	Solicited
Purpose of the Rating	REIT Manager Rating Rating
Applicable Criteria	Methodology Rating Modifiers(Apr-25),Assessment Framework Asset Manager Rating(Jul-25)
Related Research	Sector Study Real Estate(May-25)
Rating Analysts	Madiha Sohail madiha.sohail@pacra.com +92-42-35869504



Profile

Background IMM REIT Management Company Limited ("IMM RMC" or the "Company") was incorporated on 9th May 2022 as a public limited company under the Companies Act, 2017. The Company was licensed on 13th July 2022 by SECP to carry out REIT Management Services as an NBFC. The Company has launched its first developmental REIT fund, "IMM Project One Development REIT Scheme," in February 2025.

Market Share As of Dec'24, ~31 RMCs (REIT Management Companies) are registered with the SECP. As of Dec'24, RMCs have total assets amounting to PKR~13.8bln (~0.2% NBFCs' total assets) (Jun'24: ~28 RMCs with PKR~13.9bln in assets or ~0.3% of NBFCs' total assets). IMM RMC, licensed for REIT management, has launched a developmental REIT Fund with a fund size set at PKR 7bln.

Fund Mix IMM RMC has launched its first REIT scheme, "IMM Project One," in February 2025. The total fund size is set at PKR 7 billion, to be raised through a combination of strategic and institutional investors. Mr. Mazhar Iqbal will contribute PKR 3.5 billion, representing 50% of the total fund size. The remaining PKR 3.5 billion will be collectively provided by other investors, including Master Textile Mills Limited with PKR 1.167 billion, Mr. Sheraz Jehangir Monnoo with PKR 389 million, and Mr. Khizar Ayub Izhar with approximately PKR 596 million. The remaining 1,348mln of the total fund is provided by eight other investors.

Ownership

Ownership Structure The majority of IMM RMC ownership resides with the Master Group through Mascon Private Limited a subsidiary Company of Master Group of Companies by holding ~50% shares of RMC. The remaining ~50% shares of the Company are held by i) Mr. Sheraz Jehangir Monnoo and ii) Mr. Khizar Ayub Izhar holding 25% shares each.

Stability IMM RMC ownership structure is considered to be stable as the Company is majorly owned by Master group, Monnoo group and Izhar group.

Business Acumen The Master Group, anchored by its flagship company Master Enterprises (Pvt.) Ltd. has a distinguished history of over 50 years. In parallel, the Izhar Group of Industries, active in the Real Estate, Construction, and Technology sectors, has established itself as a prominent construction leader in Pakistan. With a strong history of success, the group has completed a wide range of major construction projects.

Financial Strength The financial strength of the sponsors remains strong due to their diversified investment portfolios.

Governance

Board Structure The Board of IMM REIT Management Company Limited comprises six members, which is a balanced mix of executive, non-executive, and independent members, bringing diverse expertise in business management, finance, and academia. Mr. Shahzad Malik is the chairperson of the Board.

Members' Profile The Chairperson, **Mr. Shahzad Malik**, a Non-Executive Director and MBA graduate from Bentley University, serves as Director of Master Group of Industries, Master Wind Energy Ltd., and Master Green Energy Ltd. **Mr. Rumman Arshad Dar**, the Chief Executive Officer, Executive Director and MBA from Bahria University, is the Group Director of Finance at Master Group of Industries and COO of Master Wind and Master Green Energy Ltd. **Mr. Sheraz Jehangir**, Non-Executive Director and BBA graduate from Boston University, is a Director at the Jehangir Group. **Mr. Khizar Ayub Izhar**, a Chartered Accountant and Non-Executive Director, is Director Finance, Admin & HR at Izhar Group of Developers. **Mr. Zubair Anjum**, an Independent Director with an MBA from Sheffield University, is Senior Vice President at Viessmann Deutschland GmbH, Germany, and has held leadership roles at Systems Limited and Warid Telecom. **Ms. Zehra Waheed**, an Independent Director and PhD in Facilities Management from Heriot-Watt University, serves as Associate Dean for Undergraduate Programs at LUMS and has previously been an Independent Director at Punjab Power Development Company Limited.

Board Effectiveness The Board of the Company has the overall responsibility for the establishment and oversight of the risk management framework. To ensure effective governance, the Board has formed four committees, namely, (i) Audit Committee (ii) Human Resource and Remuneration Committee (iii) Risk Management Committee and (iv) Investment Committee.

Transparency The external auditors of the Company are M/s Aamir Salman Rizwan chartered accountant. They have a satisfactory QCR rating. The Company has an inhouse internal audit department that reports independently to the audit committee.

Management

Organizational Structure IMM RMC has a multi-tier functional organization structure, consisting of the following departments, i) Finance, ii) Risk management & compliance, iii) IT, iv) Investments, v) Property Management, vii) Administration, and viii) Internal Audit. Heads of the above-listed departments, except the Internal Audit department, report directly to the CEO. The head of the Internal Audit department reports directly to the audit committee.

Management Team The management team of the Company comprises experienced and qualified professionals. **Mr. Rumman Arshad Dar** is the CEO, and he holds over 21 years of experience in investments, project development, operational management, policy development, and management consultancy. **Mr. Shahzad Hanif**, CFO, is an ACA and has over 19 years of experience. **Mr. Khalid Usman**, the Company Secretary is a FCA and has 15 years of experience.

Management Effectiveness The management is effectively engaged with stakeholders to ensure regulatory approval of the project.

Oversight Of Third-Party Service Providers The management's experience in real estate has equipped it to effectively oversee all those areas which has enabled them to eliminate the reliance on third-party.

Control Environment The Company has established Risk management & compliance. The department ensures compliance with all applicable statutory regulations and internal investment guidelines.

Investment Risk And Portfolio Management

Investment Risk Management The Company has an Investment Committee to evaluate opportunities based on the IM's guidelines. Investment risk is managed by monitoring project milestones, ensuring policy compliance, and having decisions reviewed by the Committee. A risk management policy is in place to address operational, credit, and financial risks.

Investment Decision Making As per international best practices, IMM RMC has established an Investment Committee, comprising experienced independent professionals to oversight and approve investment decisions as per the investment criteria mentioned in Information Memorandum.

Investment Research & Analysis The Investments and Property Management department is responsible for monitoring the real estate value, market position, and changes in the economic and regulatory environment that may impact the operations and performance of the IMM RMC. The role is being managed by Mr. Ahmad Ilyas, who also serves as the Compliance Officer. He is handling both positions simultaneously and brings with him 10 years of experience.

Customer Relationship

Investor Services IMM REIT Management Company Limited would manage investors' relationships using specifically developed software which would provide a centralized platform for facilitating and monitoring sales and marketing activities.

Investor Reporting The investor's reporting mechanism is in process of establishment.

Distribution & Sales Network Currently, the Company is operating through its head office based in Lahore.

Investment Performance

REIT Funds Under Management IMM RMC has successfully launched its first Real Estate Investment Trust (REIT) scheme, titled "IMM Project One Development REIT Scheme."

Performance IMM RMC has reported a net loss after tax amounting to PKR 13.26mln during FY25 (FY24: Loss of PKR 12.04mln). The loss is made mainly on account of admin expenses incurred during the period. The Company's equity was reported at PKR 18.29mln during FY25 (FY24: PKR 31.55mln).

Financial Sustainability The Company has zero leveraged capitalization structure and is 100% equity financed by the parent Company, which also shows the parent Company's commitment in case of financial needs.



The Pakistan Credit Rating Agency Limited

IMM REIT Management Company Limited
Public Limited

	Jun-25	Jun-24	Jun-23
	12M	12M	12M
	Audited	Audited	Audited
A BALANCE SHEET			
1 Earning Assets	19.60	35.22	45
2 Non-Earning Assets	5.68	0.40	0
3 Total Assets	25.28	35.61	45
4 Total Borrowing	-	-	-
5 Other Liabilities	6.99	4.08	1
6 Total Liabilities	6.99	4.08	1
7 Shareholders' Equity	18.29	31.55	44
B INCOME STATEMENT			
1 Investment Income	8.59	7.57	7
2 Operating Expenses	(20.35)	(18.17)	(12)
3 Net Investment Income	(11.76)	(10.60)	(5)
4 Other Income	-	-	-
5 Total Income	(11.76)	(10.60)	(5)
6 Other Expenses	-	-	-
7 Total Finance Cost	(0.57)	(0.36)	(0)
8 Profit Or (Loss) Before Taxation	(12.33)	(10.96)	(5)
9 Taxation	(0.92)	(1.09)	(1)
10 Profit After Tax	(13.26)	(12.04)	(6)
C RATIO ANALYSIS			
1 Investment Performance			
i. Investment Income / Average AUMs	N/A	N/A	N/A
ii. ROE	-53.2%	-32.1%	-11.9%
iii. ROA	-43.5%	-29.9%	-11.7%
2 Financial Sustainability			
i. Coverages			
a. Total Borrowing / EBITDA	N/A	N/A	N/A
b. EBITDA / Finance Cost	N/A	N/A	N/A
ii. Capitalization			
a. Total Borrowing / (Total Borrowing + Shareholders' Equity)	0.0%	0.0%	0.0%

REIT Manager Rating Scale

An independent opinion on a REIT Manager's Quality of investment and operations management.

Scale	Long-Term Rating
RM1	Very high quality of investment and operations management.
RM2++ RM2+ RM2	High quality of investment and operations management.
RM3++ RM3+ RM3	Good quality of investment and operations management.
RM4++ RM4+ RM4	Adequate quality of investment and operations management.
RM5	Weak quality of investment and operations management.

Rating Modifiers | Rating Actions

Outlook (Stable, Positive, Negative, Developing) 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'.	Rating Watch 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.	Suspension 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.	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.	Harmonization A change in rating due to revision in applicable methodology or underlying scale.
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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".

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(1) Rating is just an opinion about the creditworthiness of the entity and does not constitute recommendation to buy, hold or sell any security of the entity rated or to buy, hold or sell the security rated, as the case may be | Chapter III; 14-3-(x)

2) Conflict of Interest

- i. The Rating Team or any of their family members have no interest in this rating | Chapter III; 12-2-(j)
- ii. PACRA, the analysts involved in the rating process and members of its rating committee, and their family members, do not have any conflict of interest relating to the rating done by them | Chapter III; 12-2-(e) & (k)
- iii. The analyst is not a substantial shareholder of the customer being rated by PACRA [Annexure F; d-(ii)] Explanation: for the purpose of 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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- (5) PACRA does not make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating | Chapter III; 10-7-(k)

Conduct of Business

- (6) PACRA fulfills its obligations in a fair, efficient, transparent and ethical manner and renders high standards of services in performing its functions and obligations; | Chapter III; 11-A-(a)
- (7) PACRA uses due care in preparation of this Rating Report. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA does not, in every instance, independently verifies or validates information received in the rating process or in preparing this Rating Report | Clause 11-(A)(p).
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- (9) PACRA ensures before commencement of the rating process that an analyst or employee has not had a recent employment or other significant business or personal relationship with the rated entity that may cause or may be perceived as causing a conflict of interest; | Chapter III; 11-A-(r)
- (10) PACRA maintains principal of integrity in seeking rating business | Chapter III; 11-A-(u)
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- (12) PACRA receives compensation from the entity being rated or any third party for the rating services it offers. The receipt of this compensation has no influence on PACRA’s opinions or other analytical processes. In all instances, PACRA is committed to preserving the objectivity, integrity and independence of its ratings. Our relationship is governed by two distinct mandates i) rating mandate - signed with the entity being rated or issuer of the debt instrument, and fee mandate - signed with the payer, which can be different from the entity
- (13) PACRA does not provide consultancy/advisory services or other services to any of its customers or to any of its customers’ associated companies and associated undertakings that is being rated or has been rated by it during the preceding three years unless it has adequate mechanism in place ensuring that provision of such services does not lead to a conflict of interest situation with its rating activities; | Chapter III; 12-2-(d)
- (14) PACRA discloses that no shareholder directly or indirectly holding 10% or more of the share capital of PACRA also holds directly or indirectly 10% or more of the share capital of the entity which is subject to rating or the entity which issued the instrument subject to rating by PACRA; | Reference Chapter III; 12-2-(f)
- (15) PACRA ensures that the rating assigned to an entity or instrument is not be affected by the existence of a business relationship between PACRA and the entity or any other party, or the non-existence of such a relationship | Chapter III; 12-2-(i)
- (16) PACRA ensures that the analysts or any of their family members shall not buy or sell or engage in any transaction in any security which falls in the analyst’s area of primary analytical responsibility. This clause shall, however, not be applicable on investment in securities through collective investment schemes. | Chapter III; 12-2-(l)
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- (18) PACRA monitors all the outstanding ratings continuously and any potential change therein due to any event associated with the issuer, the security arrangement, the industry etc., is disseminated to the market, immediately and in effective manner, after appropriate consultation with the entity/issuer; | Chapter III | 17-(a)
- (19) PACRA reviews all the outstanding ratings periodically, on annual basis; Provided that public dissemination of annual review and, in an instance of change in rating will be made; | Chapter III | 17-(b)
- (20) PACRA initiates 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)
- (21) PACRA engages with the issuer and the debt securities trustee, to remain updated on all information pertaining to the rating of the entity/instrument; | Chapter III | 17-(d)

Probability of Default

- (22) PACRA’s Rating Scale reflects the expectation of credit risk. The highest rating has the lowest relative likelihood of default (i.e., probability). PACRA’s transition studies capture the historical performance behavior of a specific rating notch. Transition behavior of the assigned rating can be obtained from PACRA’s Transition Study available at our website. (www.pacra.com). However, actual transition of rating may not follow the pattern observed in the past; | Chapter III | 14-3(f)(vii)

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