



## The Pakistan Credit Rating Agency Limited

### Rating Report

#### TPL REIT Management Company Limited

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##### Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
23-Dec-2025	RM 3+	-	Stable	Maintain	Yes
23-Dec-2024	RM 3+	-	Stable	Maintain	-
23-Dec-2023	RM 3+	-	Stable	Maintain	-
23-Dec-2022	RM 3+	-	Stable	Maintain	-
23-Dec-2021	RM 3+	-	Stable	Initial	-

##### Rating Rationale and Key Rating Drivers

The assigned rating reflects TPL REIT Management Company Limited's ("TPL-RMC" or the "Company") adequate financial profile and capital base, supported by adequate governance structure anchored by an experienced and diverse Board. The Company launched Pakistan's first Hybrid Shariah-compliant REIT, "TPL REIT Fund I," in December 2021, achieving its first close at PKR 18.35bln—fully drawn by June 2024—and subsequently listing the Fund on the Pakistan Stock Exchange. The Fund initially comprised three projects housed in separate Special Purpose Vehicles (SPVs) namely: i) The Mangrove (Waterfront mid-rise community); ii) Technology Park (Commercial Office & Business Hotel); and iii) One Hoshang (Luxury residences), with The Mangrove being the primary project comprising more than 90% of the envisaged built-up area. As of now, the Fund has announced divestment from One Hoshang, while the project land for Technology Park has been divested and the project has been relocated to The Mangrove Project site, in view of a more feasible value proposition. As a result, the Fund's operations would be concentrated in its primary project, The Mangrove, which remains the only active development in the portfolio. The divestment from One Hoshang and Technology Park translates in higher concentration risk, placing greater emphasis on the timely execution and performance of the remaining asset for rating sustainability. These developments occur amid a gradual recovery in Pakistan's real estate and construction sector in FY25, supported by easing inflation, lower interest rates, and a more stable macroeconomic environment. Early-year activity was subdued due to high costs and weak demand, but recovery is strengthening as RMC (REIT Management Companies) registrations rise, investment flows stabilize, PSDP (Public Sector Development Programme) spending increases, and government measures—including anticipated tax relief—support sector activity. Improved financing conditions and sentiment are expected to sustain growth in both commercial and residential real estate.

On the financial front, during FY25, TPL-RMC's equity base stood at PKR 1,679mln (FY24: PKR 1,489mln), comfortably above regulatory requirements. Revenue strengthened on the back of management fee income, leading to a Profit After Tax of ~PKR 190mln (FY24: PKR 126mln). The Company also enhanced its investment position in its subsidiary to facilitate potential foreign investment inflows. While these measures reinforce long-term sustainability, future earnings remain sensitive to the performance and timely delivery of the Fund's sole remaining project. TPL-RMC's strategic priorities continue to focus on operational discipline, effective project monitoring, and maintaining investor confidence through transparent reporting. The Company's ability to mitigate concentration risk, ensure steady progress on Mangrove development, and capitalize on improving macroeconomic conditions will remain critical to maintaining the assigned rating.

The ratings remain sensitive to the timely and successful execution of the remaining REIT Fund project, as concentration risk has increased, as the Fund would be reliant on a single asset. Continued adherence to strong governance and regulatory standards will also be essential. The Rating Watch reflects PACRA's expectation that TPL-RMC will further strengthen its operational framework, maintain financial sustainability, and ensure steady progress on the ongoing project within the defined timelines.

##### Disclosure

Name of Rated Entity	TPL 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   REIT Manager Rating(Oct-25)
Related Research	Sector Study   Real Estate(May-25)
Rating Analysts	Madiha Sohail   madiha.sohail@pacra.com   +92-42-35869504



## Profile

**Background** TPL REIT Management Company Limited ("TPL-RMC" or the "Company"), incorporated in 2018, is a public limited company licensed by SECP to provide REIT management services under the NBFC Rules, 2003, and the REIT Regulations, 2015. TPL-RMC manages Pakistan's first Hybrid REIT, "TPL REIT Fund I".

**Market Share** Pakistan's real estate and construction sector is gradually recovering in FY25, supported by easing inflation and lower interest rates. Activity has picked up after a weak start, aided by stabilizing investment flows, while the sector increasingly shifts toward sustainable, technology-driven, and mixed-use developments. As of Sep'25, ~34 RMCs are registered with the SECP with total assets amounting to PKR~15.06bln (~0.2% NBFCs' total assets) (Jun'25: ~32 RMCs with PKR~15.04bln in assets or ~0.3% of NBFCs' total assets). TPL RMC launched Pakistan's first hybrid Non-PPP REIT, "TPL REIT Fund I" ("The Fund"), in Dec'21. The Fund completed its first close at PKR 18.35bln, which was fully drawn by June 2024, firmly establishing its market presence.

**Fund Mix** The fund size of TPL REIT Fund I was targeted at ~ PKR 80bln. The funds raised from the first close of the Fund were invested in three projects, namely: i) The Mangrove (Waterfront mid-rise community); ii) Technology Park (Commercial Office & Business Hotel); and iii) One Hoshang (Luxury residences), with The Mangrove being the primary project comprising more than 90% of the envisaged built-up area. As of now, the Fund has announced divestment from One Hoshang, while the project land for Technology Park has been divested and the project has been relocated to The Mangrove Project site, in view of a more feasible value proposition. As a result, the Fund's operations are now primarily focused on The Mangrove, which continues to be the only active development in the portfolio.

## Ownership

**Ownership Structure** TPL-RMC is a wholly-owned subsidiary of TPL Properties Limited. TPL Properties Limited is the real estate arm of TPL Group.

**Stability** TPL Properties ownership structure is considered to be stable as the majority stake rests with the TPL Group.

**Business Acumen** TPL Group, a technology conglomerate, has ventured into the real estate sector with projects like Centre Point. Through its real estate arm, TPL Properties Limited, the Group has expanded into Pakistan's REIT sector. Its strategy emphasizes partnerships with industry experts for core business expertise, while contributing operational management and market insights.

**Financial Strength** TPL Corp, the holding company of TPL Group, has diversified investments across insurance, real estate, security, asset tracking, technology, IoT, digital mapping, and venture capital, with an equity base of approximately PKR 2.3bln as of Sep'25. Meanwhile, TPL Properties reported an equity base of PKR 10.3bln as of Sep'25.

## Governance

**Board Structure** TPL-RMC's Board comprises seven members including four independent directors, two non-executive directors and one executive director the CEO.

**Members' Profile** **Mr. Ali Jameel, Non-Executive Director**, CEO of TPL Corp Limited, a leading tech-driven conglomerate in Pakistan. He also holds directorial roles on the boards of various entities. **Mr. Naveed Kamran Baloch, Independent Director**, is renowned for his leadership and expertise in governance, economics, and finance. **Mr. Imran Hussain, Non-Executive Director**, has served on multiple boards, including the World Union of German Shepherd Dog Organization and Australasia, and held advisory roles at Fiat S.P.A. and Union Carbide Pakistan Limited. **Ms. Vanessa Eastham Fisk, Independent Director**, focuses on companies with a strong innovation or transformation agenda, spanning traditional and digital enterprises. **Mr. Adnan Afaq, Independent Director**, brings over 30 years of experience in risk management, finance, operations support, and business management at leading financial institutions. **Mr. Osman Asghar Khan, Independent Director**, has held key positions in finance and operations across local and international jurisdictions.

**Board Effectiveness** The Board of the Company has the overall responsibility for the establishment and oversight of the risk management framework. There are three Board-level committees: i) Audit, Risk and Oversight Committee, ii) Human Resource & Remuneration Committee, and iii) Investment Committee.

**Transparency** KPMG Taseer Hadi & Co. audited the Company's FY24 financial statements and issued an unqualified opinion. For FY25, Grant Thornton Anjum Rahman was appointed as the new external auditor and has also issued an unqualified opinion on the FY25 financials. Meanwhile, TPL-RMC's internal audit function continues to report independently to the audit committee.

## Management

**Organizational Structure** TPL-RMC has a structured organization with departments reporting to the CEO, including Finance, Risk, Legal, Compliance, Corporate Finance, Marketing, Human Resources, IT, and Admin.

**Management Team** The Company's management team is comprised of experienced and qualified professionals: **Mr. Syed Jamal Baquar, CEO**, brings over 30 years of experience in business and finance across multiple markets, including Europe, the USA, and Pakistan. He has worked with leading international and domestic companies. **Mr. Imran Butt, CFO**, brings over 25 years of experience. He held significant roles overseeing financial management, business planning, and regulatory compliance within the financial sector in Pakistan. **Mr. Aarsal Ayub, Head of Risk Management**, brings 10 years of expertise specializing in risk assessment and innovative product development in sectors including banking, insurance, and asset management.

**Management Effectiveness** The management has remained actively engaged with stakeholders to facilitate the project's regulatory approvals.

**Oversight Of Third-Party Service Providers** The Company leverages third-party experts, including development advisors, valuers, and fund administrators, with management's real estate experience ensuring effective oversight.

**Control Environment** The Company has established legal and compliance departments, headed by **Ms. Shayan Mufti**, a seasoned professional with 10 years of experience. The department ensures compliance with all applicable statutory regulations and internal investment guidelines, and utilizes the Oracle IT platform.

## Investment Risk And Portfolio Management

**Investment Risk Management** The Company has an Investment Committee to evaluate opportunities as per the Information Memorandum guidelines. Investment risk is managed through milestone-based investor commitments, collaboration with renowned third-party partners, and vetting decisions via an independent Investment Committee. A risk management policy addresses operational, credit, and financial risks, and a Shariah Advisor ensures REIT compliance with Shariah rules.

**Investment Decision Making** The Company has also engaged Shariah Advisor to ensure the REIT Compliance with Shariah rules. Investment Decision Making as per international best practices, TPL-RMC has established an Investment Committee, comprising of experienced independent professionals to oversight.

**Investment Research & Analysis** The investment and acquisition department is responsible for monitoring the real estate value, market position, changes in the economic and regulatory environment that may impact the operations and performance of the TPL REIT Fund.

## Customer Relationship

**Investor Services** The Company manages investors' relationships using specifically developed software, which provides a centralized platform for facilitating and monitoring sales and marketing activities.

**Investor Reporting** The investor's reporting mechanism involves quarterly, half yearly and annual submission of project updates and financial reporting. In addition to this the Company also publishes a monthly project progress report to the investors.


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

## Investment Performance

**REIT Funds Under Management** The total fund size under the REIT Fund is PKR 18.35bln. During FY25, the per unit NAV of the REIT Fund stood at PKR 18.28 per unit (FY24: 17.87 per unit).

**Performance** During FY25, the topline of the Company increased to PKR 908mln (FY24: PKR 637mln). While the PAT stood at PKR ~190mln (FY24: PKR 126mln).

**Financial Sustainability** At end-FY25, the equity of the Company was reported at PKR 1,679mln (end-FY24: 1,489mln), which is well above the minimum regulatory requirement.

 <b>The Pakistan Credit Rating Agency Limited</b> <b>TPL REIT Management Limited</b> <b>Public Limited</b>				
			<i>PKR mln</i>	
	<b>Jun-25</b>	<b>Jun-24</b>	<b>Jun-23</b>	<b>Jun-22</b>
	<b>12M</b>	<b>12M</b>	<b>12M</b>	<b>12M</b>
<b>A BALANCE SHEET</b>				
1 Earning Assets	1,162	1,120	867	337
2 Non-Earning Assets	1,370	1,068	1,213	523
<b>3 Total Assets</b>	<b>2,532</b>	<b>2,187</b>	<b>2,081</b>	<b>860</b>
4 Total Borrowing	-	-	-	-
5 Other Liabilities	853	699	718	217
<b>6 Total Liabilities</b>	<b>853</b>	<b>699</b>	<b>718</b>	<b>217</b>
<b>7 Shareholders' Equity</b>	<b>1,679</b>	<b>1,489</b>	<b>1,363</b>	<b>643</b>
<b>B INCOME STATEMENT</b>				
1 Investment Income	908	637	1,052	463
2 Operating Expenses	(449)	(398)	(493)	(129)
<b>3 Net Investment Income</b>	<b>459</b>	<b>239</b>	<b>560</b>	<b>333</b>
4 Other Income	-	-	-	(0)
5 Total Income	459	239	560	333
6 Other Expenses	(162)	(2)	(5)	(7)
7 Total Finance Cost	(2)	(0)	(0)	-
<b>8 Profit Or (Loss) Before Taxation</b>	<b>296</b>	<b>236</b>	<b>554</b>	<b>326</b>
9 Taxation	(105)	(111)	(190)	(98)
<b>10 Profit After Tax</b>	<b>190</b>	<b>126</b>	<b>364</b>	<b>229</b>
<b>C RATIO ANALYSIS</b>				
<b>1 Investment Performance</b>				
i. Investment Income / Average AUMs	N/A	N/A	N/A	N/A
ii. ROE	12.0%	8.8%	36.3%	43.5%
iii. ROA	8.1%	5.9%	24.8%	35.8%
<b>2 Financial Sustainability</b>				
i. Coverages				
a. Total Borrowing / EBITDA	N/A	N/A	N/A	N/A
b. EBITDA / Finance Cost	N/A	N/A	N/A	N/A
ii. Capitalization				
a. Total Borrowing / (Total Borrowing + Shareholders' Equity)	0.0%	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
<b>RM1</b>	Very high quality of investment and operations management.
<b>RM2++</b> <b>RM2+</b> <b>RM2</b>	High quality of investment and operations management.
<b>RM3++</b> <b>RM3+</b> <b>RM3</b>	Good quality of investment and operations management.
<b>RM4++</b> <b>RM4+</b> <b>RM4</b>	Adequate quality of investment and operations management.
<b>RM5</b>	Weak quality of investment and operations management.

### Rating Modifiers | Rating Actions

<b>Outlook (Stable, Positive, Negative, Developing)</b> 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'.	<b>Rating Watch</b> 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.	<b>Suspension</b> 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.	<b>Withdrawn</b> 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.	<b>Harmonization</b> 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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### **Rating Team Statements**

(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

### **Restrictions**

- (3) No director, officer or employee of PACRA communicates the information, acquired by him for use for rating purposes, to any other person except where required under law to do so. | Chapter III; 10-(5)
- (4) PACRA does not disclose or discuss with outside parties or make improper use of the non-public information which has come to its knowledge during business relationship with the customer | Chapter III; 10-7-(d)
- (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).
- (8) PACRA prohibits its employees and analysts from soliciting money, gifts or favors from anyone with whom PACRA conducts business | Chapter III; 11-A-(q)
- (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)
- (11) PACRA promptly investigates, in the event of a misconduct or a breach of the policies, procedures and controls, and takes appropriate steps to rectify any weaknesses to prevent any recurrence along with suitable punitive action against the responsible employee(s) | Chapter III; 11-B-(m)

### **Independence & Conflict of interest**

- (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)
- (17) PACRA has established policies and procedure governing investments and trading in securities by its employees and for monitoring the same to prevent insider trading, market manipulation or any other market abuse | Chapter III; 11-B-(g)

### **Monitoring and review**

- (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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