REDAMCO
Fostering Rail Estate

SUMMARY OF ANNUAL REPORT

FINANCIAL YEAR 2025 – 26

Unlocking Value for a Stronger Tomorrow

RAILWAY LAND & PROPERTY

COMMERCIALIZATION

VALUE CREATION

Published pursuant to Section 27 of the State-Owned Enterprises (Governance and Operations) Act, 2023

Preamble

Under Section 27 of the State-Owned Enterprises (Governance and Operations) Act, 2023 and Annexure-I of the State-Owned Enterprises Ownership and Management Policy, 2023, the summary of the Annual Report and audited financial statements is required to be published on the website maintained by the State-Owned Enterprise within one month after the report is submitted to the Federal Government. The Annual Report was submitted to the Federal Government on October 29, 2026.

The summary also includes the Company's actual performance against the targets or benchmarks set out in its Statement of Corporate Intent (SCI).

This Summary of Annual Report and Audited Financial Statements for FY 2025–26 has been prepared for publication on the REDAMCO website. It presents the Company's operational and financial performance, comparison with SCI business goals, and key governance disclosures.

1. Company Profile and Mandate

Railway Estate Development and Marketing Company (Private) Limited (REDAMCO) was incorporated in Pakistan on 12 March 2012 and operates under the administrative control of the Ministry of Railways. Its mandate is to undertake development and commercialization of Pakistan Railways' land and other non-core revenue-generating activities, excluding train tariff revenues and rolling-stock manufacturing, repair and maintenance facilities. The Ministry of Railways is the parent entity. REDAMCO does not have any subsidiary.

2. Operational and Business Performance

- During FY 2025-26, REDAMCO expanded its commercialization pipeline by identifying and selecting new sites for long- and medium-term leasing, Modern Retail Complexes (MRCs) and fuel stations.
- The Board approved business models for MRCs and medium-term commercial sites.
- Regional Estate Offices were established in Karachi, Sukkur, Quetta, Multan and Lahore to strengthen field-level coordination and market outreach.
- The Company broadened its commercialization portfolio to include MRC concepts incorporating fuel and electric-vehicle charging facilities, food outlets and pharmacies; medium-term leasing opportunities for corporate offices, educational institutions, hotels, retail outlets, 3S dealerships, healthcare facilities and amusement parks; expanded billboard leasing and selling-rights categories; and feasibility work for branding opportunities at major railway stations.
- A dedicated Marketing Department was established, and the Company enhanced its website as a centralized source of information on commercial sites, site maps, business models, requests for proposals, rules and relevant documents.
- Investor outreach included engagement with Chambers of Commerce and potential investors in Karachi, Lahore, Faisalabad, Multan, Rawalpindi, Islamabad and Peshawar.
- Organizational measures included revision of the Service Rules, 2015, restructuring of the organizational framework, recruitment in senior management, internal audit and operational functions, and selected employee-related measures.
- Head Office IT and networking infrastructure was upgraded, including establishment of a dedicated data/server room.

- The Company also advanced the concept of urban regeneration of railway colonies and approved a Site Selection SOP to facilitate joint site identification and sharing of land-bank and GIS information with Pakistan Railways.

3. Financial Highlights

The Company remained profitable during the year. Income increased by 71.58% to Rs. 305.39 million, while profit after taxation increased by 9.79% to Rs. 77.59 million.

Particulars (Rs. million, unless stated)	FY 2025–26	FY 2024–25	Change
Income	305.39	177.99	+71.58%
Direct costs	(56.70)	(3.70)	-
Gross profit	248.69	174.29	+42.69%
Administrative expenses	(138.59)	(75.17)	+84.36%
Profit before taxation	110.10	99.64	+10.51%
Taxation	(32.51)	(28.96)	+12.27%
Profit after taxation	77.59	70.68	+9.79%
Total comprehensive income	76.60	70.68	+8.38%

Total administrative expenses were Rs. 138.59 million, compared with Rs. 75.17 million in the preceding year. Salaries and other benefits amounted to Rs. 90.17 million. Direct costs of Rs. 56.70 million comprised marketing and advertisement expenditure of Rs. 27.79 million and transaction advisory and evaluation services of Rs. 28.91 million.

4. Financial Position

As at 30 June 2026, total assets stood at Rs. 869.62 million, compared with Rs. 177.83 million at 30 June 2025. Bank balances were Rs. 778.33 million and shareholders' equity was Rs. 179.98 million. Operating fixed assets increased to Rs. 49.77 million.

Particulars (Rs. million)	30 June 2026	30 June 2025
Total assets	869.62	177.83
Total equity	179.98	103.38
Non-current liabilities- staff retirement benefits	8.35	1.28
Current liabilities- trade and other payables	122.29	73.17
Current liabilities- contract liability	559.00	-
Bank balances	778.33	80.27
Operating fixed assets	49.77	17.33

Total assets increased to Rs. 869.62 million at 30 June 2026 from Rs. 177.83 million at 30 June 2025. Bank balances amounted to Rs. 778.33 million, while shareholders' equity stood at Rs. 179.98 million. Operating fixed assets increased to Rs. 49.77 million, reflecting capital expenditure during the year.

The statement of financial position includes a contract liability of Rs. 559.00 million, because seven sites had not been handed over to successful bidders due to legal cases, right-of- way issues and other possession issues. The balance payable to the Ministry of Railways at year-end was Rs. 81.194 million. The liabilities also included Rs. 34.49 million relating to refundable security deposits against selling-rights and billboard contracts.

During FY 2025-26, the Company collected Rs. 2,035.95 million on behalf of the Ministry of Railways from non-core revenue activities, principally commitment fees, lease rentals and licence fees. The Company reported transfers to the Ministry of Railways of Rs. 1,724.56 million.

5. Achievement against Statement of Corporate Intent (SCI)

The Company's performance against the business goals specified in its Statement of Corporate Intent for FY 2025-26, is summarized below.

SCI Business Goal	Target / Planned Outcome	Reported Achievement / Status
Medium-term leasing	Fuel stations- Rs. 593 million from new fuel-station leasing	Rs. 832 million collected against leasing of 16 new sites; target exceeded.
	Modern Retail Complexes- New commercialization category	Rs. 497 million collected against leasing of 2 sites.
	Medium-term commercial leasing- New commercialization category	Rs. 45 million collected against leasing of 1 site.
	New medium-term sites and existing leases- Expand leasing and rental base	Rs. 1,374 million collected from new medium-term sites and Rs. 662 million from rentals of existing leases.
Pakistan Railways National Optical Fiber Corridor	Offer existing laid optical fibre to third parties on revenue-sharing basis	Pakistan Railways did not make the optical fibre available due to operational needs.
Warehousing on medium-term basis	Offer suitable land for warehousing	Pakistan Railways was leasing warehousing land through DS Offices on a short-term lease basis.
Long-term leasing / JV, REIT, BOT models	Plan to lease 17 sites over a three-year period	• Mardan TAS nearing completion, subject to Railway Board approval of the financial bid; • Mughalpura processed for Railway Board approval; • TAS engaged for six sites; • P3A collaboration in progress for four Karachi properties.
Selling rights over Pakistan Railways network	Rs. 199 million	Rs. 211 million collected; target exceeded.
Overall revenue target	Rs. 3,212 million	Rs. 2,036 million collected; 63.4% achievement.
Transparency and compliance	Efficient and transparent management of Pakistan Railways' real estate assets	The Company reported compliance with PPRA Rules, 2004, Railway Property and Land Rules, 2023 and the SOE Act, 2023.

6. Governance, Audit and Internal Controls

The Board of Directors comprised the Chairman, independent and ex-officio directors, and the Chief Executive Officer. During the year ended June 30, 2026 11 Board meetings, 9 Business Development and Procurement Committee meetings, 4 Audit and Risk Committee meetings and 4 Human Resource Committee meeting were held. Two Directors participated in Directors' Training Programmes during the year.

The Audit and Risk Committee comprised Mian Ayyaz Afzal (Chairperson), Miss Samina Afsar and Mr. Zulfiqar Ali. The Committee held four meetings during FY 2025-26 and reviewed interim and annual financial statements, external and internal audit matters, internal controls, risk management and regulatory compliance. The Board conducted a formal evaluation of the Committee and assessed that its Terms of Reference did not require amendment.

The Company strengthened its Internal Audit function through appointment of a Chief Internal Auditor. The Board has overall responsibility for oversight of risk management, while internal controls are designed to safeguard assets, support reliable financial reporting, prevent and detect irregularities and promote compliance. M/s Crowe Hussain Chaudhury & Co., Chartered Accountants, were endorsed for appointment as external auditors for FY 2026-27 on the recommendation of the Audit Committee.

The independent auditor's report issued by Crowe Hussain Chaudhury & Co. expresses an unmodified opinion that the financial statements give a true and fair view of the Company's affairs as at 30 June 2026 and of its financial performance and cash flows for the year, in accordance with the applicable accounting and reporting standards in Pakistan.

7. Fiscal Stability

The Company continued to operate on a Self-sustaining basis, and no financial assistance from the Ministry of Railways was recognized for expenditure during the year.

8. Key Challenges and Risk Factors

Commercialization activities were affected by delays in hiring of Transaction Advisory Services for long-term projects; non-handover of certain leased sites; land-title and encumbrance issues; delays in land records and site-plan approvals; withdrawal of successful bids; and subdued investor response during April-June 2026 amid economic uncertainty and geopolitical developments. These matters affected the timing of revenue realization and required continued coordination with Pakistan Railways and other stakeholders.

9. Strategic Outlook

The Company's reported pipeline and ongoing initiatives include

- Further development of Modern Retail Complexes and medium-term commercial sites;
- Progress on long-term leasing opportunities supported by Transaction Advisory Services;
- Collaboration with the Public Private Partnership Authority for transaction advisory and leasing of properties in Karachi;
- Exploration of urban regeneration opportunities in railway colonies; and
- Continued investor outreach and digital visibility.

Progress on these initiatives remains subject to the required approvals, availability and handover of sites, land records and coordination with Pakistan Railways.