

ISLAMIC INTERNATIONAL MEDICAL COLLEGE TRUST

Analyst:

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RATING DETAILS

RATINGS CATEGORY	Initial Rating	
	Medium to Long-term	Short-term
ENTITY	A	A1
RATING OUTLOOK/WATCH	Stable	
RATING ACTION	Initial	
RATING DATE	December 31, 2025	

Shareholding (5% or More)

N/A

Other Information

Registered in April 1996

Public Trust

Managing Trustee: Hassan Mohammad Khan**Executive Director:** Asadullah Khan**External auditor:** A. F. Ferguson Chartered Accountants**Applicable Rating Methodology**

VIS Entity Rating Criteria Methodology – Educational Institutions and Corporates

<https://docs.vis.com.pk/docs/EducationalInstitution-2023.pdf><https://docs.vis.com.pk/docs/CorporateMethodology.pdf>**Rating Scale**<https://docs.vis.com.pk/docs/VISRatingScales.pdf>**Rating Rationale**

Established in 1995, the Islamic International Medical College Trust ('IIMCT' or 'the Trust') is a non-profit educational and welfare organization that operates five university campuses, including the flagship Riphah International University, and four accredited hospitals across Pakistan. Managed by a Board of Trustees comprised of experienced professionals, the Trust has demonstrated strong operational and financial resilience.

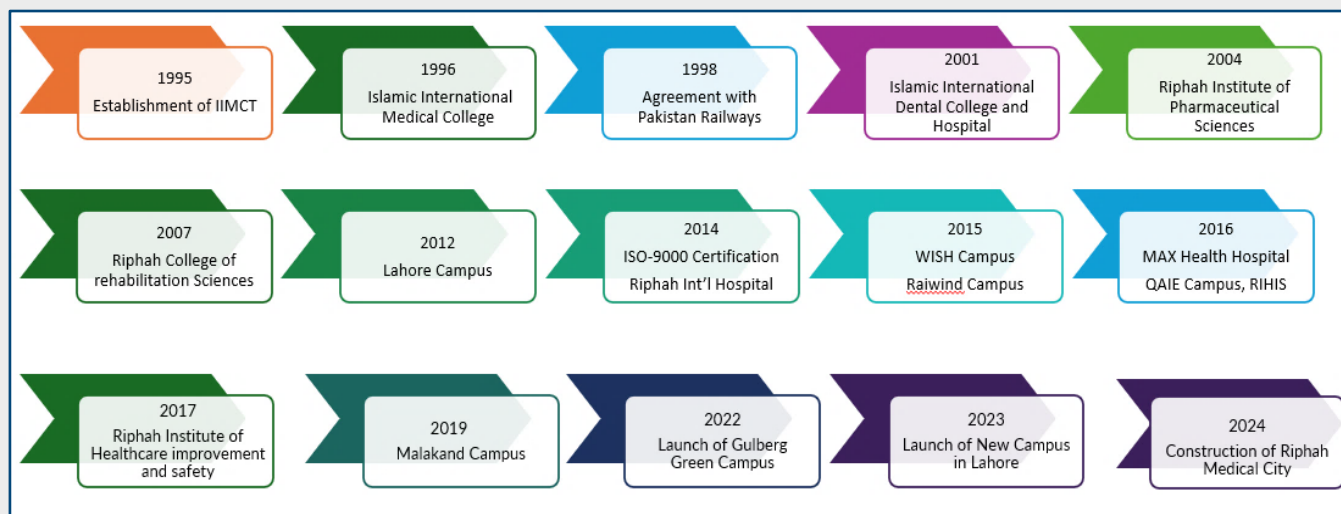
The Trust's business risk profile is supported by the inelastic demand for healthcare and the demographic-driven growth of the higher education sector. This essential service model, characterized by low cyclicalities and a growing patient and student base, ensures operational stability and financial resilience. Furthermore, IIMCT mitigates sector-specific risks through prestigious international accreditations and a continuous expansion of its healthcare facilities and academic infrastructure.

Assigned ratings are underpinned by a strong financial profile, marked by healthy profitability and balance sheet strengthening. Profitability remains resilient due to sustained revenue growth and debt coverage has been bolstered by strong cash flow generation. Liquidity is supported by a healthy current ratio and a short cash conversion cycle.

Company Profile

Islamic International Medical College Trust is a non-profit, non-political, non-sectarian welfare organization, established in 1995 as an educational Trust under Trust Act 1882, whereas after the promulgation of the Punjab Trust Act 2020, the Trust was also duly registered in December 2024. The head office of the Trust is located at Block A, Gulberg Greens, Islamabad.

The Trust was founded by the late Maj. Gen. Muhammad Zulfiqar Ali Khan (TI (M)), a renowned cardiologist who served in the Pakistan Army during the 1970s and 1980s. He is a recipient of the Tamgha-e-Imtiaz (Military) ((TI (M))) and Tamgha-e-Basalat (T.Bt) for his services and pioneering work in medical work. The Trust was established to uplift academic standards by creating state-of-the-art institutions in Pakistan, supported by leading scholars and scientists. Consistent with its mission, it emphasizes Islamic ethical values to develop professionally competent and socially responsible Muslim graduates. Since its establishment, IIMCT has set up several academic institutions and hospitals located in Islamabad, Rawalpindi, Lahore and Malakand.



Management and leadership

The Trust is governed by a Board of Trustees (BoT), which serves as the supreme and sovereign decision-making body in accordance with the Trust Deed. The Board comprises of ten trustees drawn from diverse professional backgrounds, ensuring a breadth of expertise across academia, healthcare, law, finance, and public service. All office bearers are appointed from among the members of the Board, reinforcing trustee-led governance. The Trust Deed also stipulates that no portion of the Trust's income, property, or surplus may be distributed to trustees or their relatives, underscoring its not-for-profit orientation.

The BoT is led by the Managing Trustee, Mr. Hassan Muhammad Khan, founder's son, who holds dual majors in Industrial Engineering and Economics from Boston, USA, and an MBA. He has played a central role in the establishment, growth, and recognition of the Trust's institutions. He currently serves as Chancellor of Riphah International University, is a Board Member of the Association of Medical Education of Europe (AMEE), President of the Pakistan Patient Safety Association, and Patron of PANAH. Other trustees bring strong sectoral credentials, including senior academicians, medical consultants, legal professionals, capital market

experts, and philanthropists. It is noted that Mrs. Rahat Afza and Mr. Mohammad Yahya Khan are the mother and son of the Managing Trustee, respectively.

Name	Role / Title	Professional Background / Affiliations
Hassan Muhammad Khan	Managing Trustee	Chancellor of Riphah International University
Prof. Dr. Anis Ahmad	Trustee & Vice Chancellor	Vice Chancellor, Riphah International University
Dr. Mohammad Shoaib Khan	Deputy Managing Trustee	Geriatric Consultant
Mr. Saeed Akhter	General Secretary	Advocate of the Supreme Court
Prof. Dr. Shahid Idrees Mufti	Trustee	Cardiac Consultant
Mr. Mian Ayyaz Afzal	Trustee	Former CEO/MD, Islamabad Stock Exchange (ISE)
Mr. Tariq Iqbal Khan	Trustee	Ex-President ISE; Ex-Chairman SECP; Ex-Member Tax Policy FBR; Ex-Chairman NIT
Mrs. Rahat Afza	Trustee	Philanthropist

The Board is responsible for strategic oversight and key approvals, including budgets, long-term strategy, exceptional authorizations, and senior management appointments (Deputy Manager level and above). Governance effectiveness is supported through quarterly Board meetings, where institutional performance, financial position, and strategic initiatives are reviewed. The Board also oversees audit and financial planning functions, based on submissions by the Director of Finance, and is empowered to constitute committees or sub-committees as required. Paid staff are not eligible for trusteeship, preserving independence between governance and operations. Operational support is provided by Corporate Directors overseeing Finance, IT, Marketing & Admissions, HR, Facilities, and Legal functions. Academic governance is led by the Chancellor, Vice Chancellor, Deputy Registrar, Deans, and Heads of Departments across faculties, while healthcare operations are managed through the Director of Teaching Hospitals and the Director of MAX Hospital, with a focus on quality and operational effectiveness. Internal audit is outsourced to Dubai-based AK Consulting, providing an additional layer of independent oversight.

Subsidiaries

The Trust holds 100% ownership of both Max Technology Services and Max Education Services, alongside a 51% stake in Max Hotel and Resorts and a 50% stake in DBD (Private) Limited as of June 2025. While Max Technology Services was a venture that is now nearing closure, Max Education Services remains an active arm focused on forming college affiliations and providing student and teacher training in underdeveloped areas. Furthermore, through Max Hotel and Resorts, the Trust aims to establish a Real Estate Investment Trust (REIT) for long-term real estate development. The Trust oversees two operating segments, Academia and Healthcare.

Academia:

IIMCT is the sponsoring trust of Riphah International University ('RIU' or 'the Institution') and its associated campuses. RIU is the flagship institute of the Trust, distinguishing itself as a university chartered by the Federal Government of Pakistan and recognized by the Higher Education Commission (HEC) of Pakistan. This recognition applies to the main university body, and also signifies those degrees awarded across all campuses are HEC-verified.

The Trust has established five campuses: one in Islamabad, one in Rawalpindi, two in Lahore, and one in Malakand. Eight faculties currently deliver ~ 140 programs across these locations. The Riphah College of Rehabilitation and Allied Health Sciences is the largest, offering 27 programs. These offerings span the disciplines of medical research, biosciences, allied health sciences, science and technology, and humanities and arts. Number of enrolled students for year ending 2024 was recorded at 13,902.

Number of Students

Description	2024	2023	2022
Postgraduate	198	156	119
Graduate	3,963	4,002	3,897
Undergraduate	9,741	7,866	5,962
Total Students	13,902	12,024	9,978

Description	2024	2023	2022
Male	4,810	4,525	3,851
Female	9,092	7,499	6,127
Total Students	13,902	12,024	9,978

The Trust's academic programs and hospitals hold strong national and international accreditations from the following:

- National Academic Recognition: Fully recognized by the HEC of Pakistan, with programs accredited by specific bodies like the PM&DC (Pakistan Medical & Dental Council), PEC (Pakistan Engineering Council), and PCP (Pharmacy Council of Pakistan).
- International Healthcare Quality: Hospitals are distinguished with the Accreditation Canada Commitment to Quality Award (2024).
- Specialized Healthcare: The teaching hospitals are recognized by the CPSP and the Pakistan Nursing Council (PNC) for training.
- Global Standing: The university is also a consistent performer in the QS Asia University Rankings.

Additionally, the Quality Assurance Agency (QAA) of HEC conducts an annual assessment of all public and private sector higher education institutes. The Institution's QEC demonstrated strong overall performance in the 2024 assessment (dated October 9, 2025), achieving a score of 98.49 marks reflecting a rating of 'Meeting Maximum Parameters Satisfactorily' (MMPS).

Healthcare

The Trust operates four major healthcare facilities across Rawalpindi and Islamabad. The Pakistan Railway Hospital (PRH) is located in Rawalpindi, while the Islamic International Dental Hospital (IIDH), Riphah International Hospital (RIH), and Max Health Hospital (MHH) are based in Islamabad.

Pakistan Railway Hospital (PRH) functions as Pakistan's first healthcare public-private partnership, positioning it as a landmark institution in the sector. In addition to providing tertiary healthcare services, PRH is a major teaching hospital, offering training to undergraduate medical students, paramedical staff, and postgraduate doctors. During 2024, the hospital catered to 101,565 patients. PRH maintains strong regulatory standing, having achieved a 97% licensing score from the Punjab Healthcare Commission (PHC) and receiving the "Commitment in Quality in Acute Care Services" award from Accreditation Canada.

Islamic International Dental Hospital (IIDH) demonstrates a high level of regulatory and quality compliance. The hospital holds International Accreditation from Accreditation Canada, is recognized by PMDC and CPSP, certified under ISO 9001:2015, and licensed by the Islamabad Healthcare Regulatory Authority (IHRA), where it achieved a 98% inspection score. IIDH served 102,902 patients in 2024.

Riphah International Hospital (RIH) operates under a comprehensive regulatory framework. It is registered with IHRA, holds a CDA Trade License, maintains ISO 9001:2015 certification, and possesses a valid PNRA license. The hospital is also a recipient of an Accreditation Canada award. In 2024, RIH treated 33,277 patients.

Max Health Hospital (MHH) is a specialized facility equipped with multiple advanced clinical units. The hospital holds Accreditation Canada recognition, is IHRA-registered, and maintains ISO 9001:2015 certification, along with PNRA and PINSTECH licenses. Additionally, it is certified under the Cardiac Registry of Pakistan (CROP) Cath PCI-Registry. MHH recorded 18,648 patient visits during 2024.

Business Risk

INDUSTRY

Academics

Pakistan's higher education sector has grown steadily over the past two decades, supported by a young population, rising demand for tertiary education, and increased private sector participation. The sector comprises public and private universities and degree-awarding institutions regulated by the Higher Education Commission (HEC). Public universities dominate enrolments due to subsidized fees, while private institutions have expanded in urban areas by offering market-oriented programs.

HEC oversight has improved academic standards through accreditation and quality assurance, though compliance has raised operating costs, particularly for smaller private institutions. Demand remains strong for disciplines such as medicine, engineering, IT, and business; however, graduate employability outcomes remain uneven, reflecting gaps between academia and industry needs.

Financially, public universities rely heavily on government funding and are exposed to fiscal constraints, while private institutions are largely tuition-driven and sensitive to enrollment trends and affordability. Despite these challenges, the sector's outlook remains stable, underpinned by favorable demographics, with institutions having strong governance and market-aligned programs better positioned to sustain performance.

Healthcare

Pakistan's healthcare sector operates under a mixed public-private model, with the public sector providing broad access but constrained by limited funding and capacity. Consequently, the private sector plays an

increasingly important role, particularly in urban areas, and accounts for a significant share of healthcare delivery.

Demand continues to rise due to population growth, urbanization, and a higher disease burden. While regulatory oversight has strengthened through provincial healthcare commissions, challenges persist, including shortages of medical professionals, rising costs, reliance on imports, and limited health insurance coverage. Overall, the sector's outlook remains stable, supported by strong demand and expanding private sector participation.

SALES & PROFITABILITY

The Trust generates revenue from two core segments, academics and healthcare, with academics remaining the dominant contributor, accounting for 84% of total revenue in FY25. Over the period FY22–FY25, the Trust recorded a robust 15% CAGR in net revenue, driven primarily by the strong performance of its academic operations.

Academic revenues, comprising student fees, admission income, and other educational charges, grew at a 19% CAGR, supported by rising student intake and effective program delivery. The healthcare segment, which includes both outpatient and inpatient services, achieved a 13% CAGR over the same period; however, revenues declined in FY25, largely reflecting inflationary pressures.

Cost structures largely mirror operating activities, with academic expenses mainly comprising financial assistance to students and routine operating costs, while healthcare expenses relate to hospitals' day-to-day operations. Management expenses include staff salaries, advertising, insurance, scholarships, and related overheads.

In FY24, margins came under pressure due to higher healthcare costs and increased impairment charges on non-interest-bearing related-party funds. However, improved academic revenues and lower impairment charges supported a recovery in gross margin to 29.41% in FY25 (FY24: 24.25%; FY23: 28.33%) and operating margin to 16.19% (FY24: 11.72%). Consequently, net margin improved to 14.36% in FY25 from 12.99% in FY24, reflecting the rebound in profitability.

Breakdown of segment-wise revenue is as tabulated below:

Rs in millions	FY23	FY24	FY25
Core operations			
Academics	79.8%	75.9%	83.9%
Healthcare	15.8%	22.8%	14.1%
Other income			
Academics	3.7%	0.8%	1.7%
Healthcare	0.3%	0.3%	0.2%
Management operations	0.4%	0.2%	0.1%

Management is anticipating net revenue growth of 18–20% and rise in profit margins in FY26 to be driven by a projected improvement in healthcare revenue and savings from lower finance costs.

Financial Risk

CAPITAL STRUCTURE

The financial risk profile reflects conservative financial management, with a low net gearing ratio of 0.07x, underscoring robust equity growth and limited reliance on debt to fund infrastructure expansion. Total equity as of June 2025 stood at Rs 15.50b with surplus on revaluation of Rs. 7.55b. The existing debt portfolio is predominantly long term and is primarily linked to the development of a new hospital, Riphah Medical City in Gulberg Green. While some additional leveraging, estimated at around Rs. 1bn, is expected to support future development, strong internal cash generation is anticipated to underpin funding requirements, keeping overall capitalization metrics stable.

DEBT COVERAGE & LIQUIDITY

Funds from Operations (FFO) generation reflects a stable albeit steady increasing trend. Debt coverages, including FFO to total debt 80.76% and DSCR of 1.84x remain very strong on sustained basis. Liquidity profile is supported by a sound current ratio of 1.23x, shorter working capital cycle and sizeable cash holdings (end-FY25: Rs 840.3m).

FINANCIAL SUMMARY

Balance Sheet (PKR Millions)	FY22A	FY23A	FY24A	FY25M	FY26P
Property, plant and equipment	7,149.56	8,512.87	15,560.93	15,503.66	15,658.70
Long-term Investments	5.31	105.31	105.31	105.31	110.58
Fees receivable	458.53	177.60	382.37	609.88	663.20
Loans and Advances	2,131.44	2,247.54	1,883.62	1,960.12	1,512.11
Cash & Bank Balances	1,393.87	1,028.08	677.21	840.30	2,016.89
Total Assets	11,138.85	12,071.40	18,609.44	19,019.27	20,508.28
Creditors	135.90	245.78	371.49	599.27	781.19
Long-term Debt (incl. current portion)	2,251.29	1,912.24	1,667.95	1,406.81	1,289.26
Total Debt	2,251.29	1,912.24	1,667.95	1,406.81	1,289.26
Contract Liabilities	832.84	942.88	1,288.74	1,352.99	1,568.50
Total Liabilities	3,760.38	3,913.39	4,032.27	3,515.88	3,807.60
Paid up Capital	2.05	2.05	2.05	2.05	2.05
Revenue Reserve	5,431.40	6,233.47	6,939.43	7,865.67	9,062.96
Equity (excl. Revaluation Surplus)	5,473.45	6,275.52	7,026.98	7,953.22	9,150.51
Equity (incl. Revaluation Surplus)	7,378.49	8,158.02	14,577.15	15,503.39	16,700.68
Income Statement (PKR Millions)	FY22A	FY23A	FY24A	FY25M	FY26P
Net Sales	3,700.96	4,734.74	5,661.26	6,448.92	7,707.23
Gross Profit	1,081.55	1,341.24	1,372.96	1,896.47	2,271.91
Operating Expenses	277.58	460.86	709.55	852.16	972.45
Finance Costs	190.34	100.47	-71.80	118.07	102.18
Profit After Tax	613.36	779.91	735.21	926.24	1,197.29
Ratio Analysis	FY22A	FY23A	FY24A	FY25M	FY26P
Gross Margin	29.22%	28.33%	24.25%	29.41%	29.48%
Efficiency Margin	7.50%	9.73%	12.53%	13.21%	12.62%
Net Margin	16.57%	16.47%	12.99%	14.36%	15.53%
Asset Turnover	33.23%	40.80%	36.90%	34.28%	45.20%
Funds from Operation (FFO) (PKR Millions)	796.14	858.33	911.50	1,136.07	1,370.98
FFO to Total Debt	35.36%	44.89%	54.65%	80.76%	106.34%
FFO to Long Term Debt	35.36%	44.89%	54.65%	80.76%	106.34%
Debt Servicing Coverage Ratio (x)	1.44	1.77	2.70	1.84	5.31
Gearing (x)	0.41	0.30	0.24	0.18	0.14
Net Gearing (x)	0.16	0.14	0.14	0.07	-0.08
Leverage (x)	0.69	0.62	0.57	0.44	0.42
Cash Conversion Cycle (days)	26	4	-8	-11	-16
Current Ratio (x)	1.88	1.45	1.00	1.23	1.73
Return on Average Assets	5.51%	6.72%	4.79%	4.92%	6.06%
Return on Average Equity	11.21%	13.28%	11.05%	12.37%	14.00%

A: Audited accounts

M: Management accounts

P: Projected accounts

REGULATORY DISCLOSURES

Appendix I

Name of Rated Entity	Islamic International Medical College Trust				
Sector	Miscellaneous Non-Manufacturing				
Type of Relationship	Solicited				
Purpose of Rating	Entity Ratings				
Rating History	Rating Date	Medium to Long Term	Short Term	Rating Outlook	Rating Action
	RATING TYPE: ENTITY				
	December 31, 2025	A	A1	Stable	Initial
Instrument Structure	N/A				
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.				
Probability of Default	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.				
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Due Diligence Meetings Conducted	Name		Designation		Date
	Muhammad Raza Khan		Director Finance		12-Dec-2025
	Jalaluddin Muhammad Akber		Deputy Director Finance		
	Muhammad Zeeshan		Manager Taxation		
	Mahin Mannan		Senior Manager Finance		