

DOLMEN (PVT) LIMITED

Analyst:

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RATING DETAILS

RATINGS CATEGORY	Latest Rating		Previous Rating	
	Long-term	Short-term	Long-term	Short-term
ENTITY	A-	A2	A-	A2
RATING OUTLOOK/ WATCH	Stable		Stable	
RATING ACTION	Reaffirmed		Reaffirmed	
RATING DATE	April 06, 2026		February 10, 2025	

Shareholding (10% or More)

Mr. Nadeem Riaz - 50%
Mrs. Uzma Nadeem - 10%
Mr. Faisal Nadeem - 10%
Ms. Ramsha Nadeem - 10%
Ms. Anum Nadeem - 10%
Ms. Sidra Nadeem - 10%

Other Information

Incorporated in 1986
Private Limited Company
Chief Executive/Chairperson: Mr. Nadeem Riaz
External Auditor: Clarkson Hyde Saud Ansari & Chartered Accountant

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Corporates Ratings

<https://docs.vis.com.pk/docs/CorporateMethodology.pdf>

Construction Industry

<https://docs.vis.com.pk/Methodologies%202024/CONSTRUCTION-INDUSTRY-RATING-CRITERIA.pdf>

Rating Scale

<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

Rating Rationale

The ratings of Dolmen (Private) Limited ("DPL") reflect its strong sponsor profile, established presence in Pakistan's real estate sector, and stable rental-backed cash flows, supported by the Dolmen Group's proven track record. The Company benefits from a diversified asset base, with steady income from investment properties and dividends from Dolmen City REIT, alongside the recent stabilization of Dolmen Mall Lahore, which is expected to contribute to future cash flows. However, elevated leverage and sizeable debt maturities in FY26 – FY27 constrain near-term coverage metrics. Comfort is drawn from the Company's strong asset backing and demonstrated ability to monetize assets, with planned inflows from Grove Residency sales, incremental rental income from Sky Towers and future dividends from Dolman Lahore expected to support debt coverage and liquidity. Ratings remain sensitive to timely execution of these inflows and effective debt management.

Company Profile

Dolmen (Private) Limited ('DPL' or 'the Company') was incorporated in Pakistan in 1986 as a private limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The Company is principally engaged in the development and leasing of real estate properties. DPL is part of the Dolmen Group, which operates in the residential, commercial, and retail real estate segments. The Group's portfolio includes projects such as Dolmen Mall Clifton, Dolmen Mall Tariq Road, Dolmen Mall Hyderi Dolmen Mall Lahore, Sky Towers, The Harbour Front & Grove Residency. The registered office of the Company is located at The Harbour Front, 17th Floor, Dolmen City, Clifton Block - 4, Karachi.

Sponsor Profile

Dolmen (Private) Limited is a family-owned entity, with majority ownership held by Mr. Nadeem Riaz (50%), while the remaining shareholding is equally distributed among Mrs. Uzma Nadeem, Mr. Faisal Nadeem, Ms. Ramsha Nadeem, Ms. Anum Nadeem, and Ms. Sidra Nadeem (10% each). The sponsors are involved in the real estate sector through the Dolmen Group, with representation in management and oversight of the Company.

Mr. Nadeem Riaz over three decades (30+ years) of experience in the real estate sector, with a strong track record in the development, management, and commercialization of large-scale residential, commercial, and retail projects. He is widely regarded as a pioneer of modern shopping mall development in Pakistan, having played a central role in introducing international-standard retail malls that transformed the country's organized retail landscape.

Management and Governance

The Company is led by Mr. Nadeem Riaz, who serves as Chairman and Chief Executive Officer, and has over three decades of experience in real estate development and management. The finance function is headed by Mr. Abdul Sattar Shaikh, Chief Financial Officer, responsible for financial reporting and treasury management.

The governance framework is sponsor-driven, with board representation comprising members of the sponsor family, resulting in a centralized decision-making structure. The Company utilizes MS Dynamics for procurement, controls, and financial management, with no change in systems since the previous review.

Auditor

The Company's external auditors are M/s Clarkson Hyde Saud Ansari, Chartered Accountants, a QCR-rated firm. The auditors have issued an unqualified opinion on the financial statements for the year ended June 30, 2025.

Business Risk

INDUSTRY

Pakistan's real estate sector has demonstrated a gradual improvement over the past year, supported primarily by a more stable macroeconomic backdrop. The easing of inflation to ~5.8% (Jan 2026) and a decline in policy rates to 10.5% levels (from a high of 22%) have materially improved affordability dynamics, lowering borrowing costs for both developers and end-users compared to the stress period witnessed in FY23-FY24. This has translated into a measured recovery in volumes, albeit at a more sustainable pace.

A notable structural shift is the transition from speculative to end-user-driven demand, largely influenced by stricter documentation requirements, taxation measures, and regulatory oversight. This has subdued short-term price volatility and reduced risks associated with speculative bubbles. Demand growth, estimated at ~3-7%, is increasingly concentrated in mid-income housing segments, reflecting Pakistan's underlying demographic pressures, urbanization trends, and persistent housing shortfall. On the pricing front, property values have largely stabilized, with selective appreciation observed in locations benefiting from infrastructure expansion and improved connectivity.

The sector is also witnessing gradual formalization, evidenced by the increasing traction of structured investment vehicles such as REITs (with ~28 registered as of Jan 2026). This trend is enhancing governance standards, transparency, and access to capital, although overall penetration remains low relative to regional peers. The commercial and retail segments have shown relative resilience, underpinned by stable occupancy levels in established developments and steady rental yields. Prime assets, particularly those with strong sponsors, diversified tenant mixes, and strategic locations, continue to perform well, making them comparatively less sensitive to cyclical fluctuations. Despite these improvements,

the sector's risk profile remains moderate to high, constrained by factors such as regulatory inconsistencies, documentation gaps in the informal segment, limited mortgage penetration, and susceptibility to macroeconomic shocks.

OPERATIONAL UPDATE

The **investment property** portfolio comprises the Company's stabilized, income-generating assets, including Corporate Office Block, Sky Towers (A & B), Dolmen Mall Tariq Road, and Dolmen Mall Hyderi. These assets are held under shared ownership arrangements, and generate recurring rental income for the Company.

The Company currently holds a 50% stake in the above project. Management is in the process of revisiting the ownership structure with its partner, with a view to aligning asset allocation based on respective business focus areas. Under the proposed arrangement, certain portions of the asset are expected to be allocated for hospitality-related use, while the Company will retain exposure to commercial segments. The revised structure is expected to optimize income generation from the Company's core rental assets, subject to finalization of arrangements.

Property	Occupancy FY24 (%)	Occupancy FY25 (%)
Corporate Office Block (COB)	86%	100%
Sky Tower A	100%	100%
Sky Tower B	100%	100%
Dolmen Mall Tariq Road (DMTR)	96%	96%
Dolmen Mall Hyderi (DMH)	99%	88%

Long-term investments constitute the largest share, with a major concentration in DHA Dolmen Lahore (Private) Limited, along with investments in Dolmen City REIT (associate) and other group entities at varying stages of development and stabilization. Dividend inflows are currently primarily supported by the REIT investment, while other investments are expected to contribute over time.

Dolmen Mall Lahore

The Company's portfolio includes Dolmen Mall Lahore, a retail development located in DHA Lahore, which became operational in 2024. The asset has exhibited stable performance post-commencement, with high occupancy levels, indicating satisfactory tenant uptake. The mall is generating consistent rental cash flows, which are being applied toward operation and finance-related obligations. With continued stabilization and reduction in outstanding obligations, the asset is expected to support dividend generation, contributing to the Company's overall cash flows.

Projects under construction represent the Company's development pipeline, including ongoing projects at various stages of execution. This segment reflects the Company's continued focus on expansion, with associated execution and completion considerations.

Grove Residency

Grove Residency is a residential apartment development project being undertaken by the Company. The project has been relaunched in January 2026 and has demonstrated progress in sales, with a substantial portion of units sold to date. The remaining inventory is being marketed within the targeted pricing range. The project is expected to support near-term liquidity through planned sales proceeds.

Islamabad Projects (Residential & Mall)

The Company is undertaking a mixed-use development project in Islamabad in collaboration with DHA, as part of its long-term expansion strategy. The development comprises residential, retail and commercial components, with planning and approval processes currently underway. The project is located in a developing urban corridor, supporting its demand potential. Launch is expected post regulatory approvals.

PROFITABILITY

The Company's core earnings profile remains anchored in rental and dividend income, with stable inflows from investment properties, including Corporate Office Block, Sky Towers, Dolmen Mall Tariq Road, and Dolmen Mall Hyderi, along with dividend income from Dolmen City REIT.

In FY25, profitability reflected improvement, primarily driven by non-recurring income recognized under other income, arising from a one-time transaction linked to asset rationalization. As a result, net profit increased compared to the previous year.

During 5MFY26, profitability has normalized, and going forward, earnings are expected to remain dependent on recurring rental and dividend streams, with potential upside from incremental rental contribution from Sky Towers.

Financial Risk

CAPITAL STRUCTURE

In FY25, the Company's capital structure remained leveraged, with an increase in total debt primarily to support ongoing development activities and related funding requirements. Equity strengthened on the back of internal profit generation. Consequently, gearing remained broadly stable, while leverage indicators showed some improvement, reflecting support from retained earnings.

DEBT COVERAGE & LIQUIDITY

Debt coverage metrics remain constrained, primarily due to elevated repayment obligations over the near term. However, the ratings draw comfort from the Company's sizeable and liquid asset base, which provides flexibility to manage obligations, including through selective asset monetization, if required. Management expects improvement in cash flows over the medium term, supported by planned project-related inflows, including contributions from ongoing developments. Additional support is anticipated from optimization of existing assets, which is expected to enhance recurring rental income. Furthermore, operational performance of key assets is expected to support future cash flows, including potential upstreaming from group entities over time. Overall, while near-term coverage indicators remain tight, the Company's access to multiple liquidity avenues, including asset monetization and incremental rental/dividend streams, provides adequate comfort. Indicators have shown improvement, with the current ratio strengthening to 1.17x (FY25: 0.94x).

REGULATORY DISCLOSURES

Appendix II

Name of Rated Entity	Dolmen (Pvt) Limited				
Sector	Construction and Real Estate				
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				
	04/06/2026	A-	A2	Stable	Reaffirmed
	02/10/2025	A-	A2	Stable	Reaffirmed
	05/23/2023	A-	A2	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	
	Mr. Abdul Sattar Shaikh	Chief Financial Officer (CFO)		17 th February 2026	
	Mr. Muhammad Saad	Assistant General Manager			
Mr. Muhammad Umer	Executive Finance Manager				