

# RATING REPORT

## Amazon Mall (Private) Limited

**REPORT DATE:**

June 19, 2025

**RATING ANALYST:**

Musaddeq Ahmed Khan

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RATING DETAILS		
Rating Category	Initial Rating	
	Long-term	Short-term
Entity	A-	A2
Rating Outlook/Watch	Stable	
Rating Date	June 19, 2025	
Rating Action	Initial	

**COMPANY INFORMATION**

Incorporated in 2016	External auditors: BDO Ebrahim & Co. Chartered Accountants
Private Limited Company	Chairman of the Board: Mr. Shafiq Akbar
Key Shareholders (5% stake or more):	CEO: Mr. Shafiq Akbar
Mr. Shafiq Akbar – 90%	
Mrs. Mehwish Shafiq – 10%	

**APPLICABLE RATING SCALE(S)****VIS Entity Rating Criteria****Corporates**<https://docs.vis.com.pk/docs/CorporateMethodology.pdf>**Construction Industry**<https://docs.vis.com.pk/Methodologies%202024/CONSTRUCTION-INDUSTRY-RATING-CRITERIA.pdf>**VIS Rating scale**<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

## Amazon Mall (Private) Limited

OVERVIEW OF THE INSTITUTION	RATING RATIONALE
<p><i>Amazon Mall (Private) Limited is a private limited company incorporated in Pakistan on November 3, 2016, as Amazon Mall (SMC-Private) Limited under the Companies Act, 1984 (repealed with the enactment of the Companies Act, 2017). Subsequently, on September 10, 2021, the Company was converted into a private limited company. The principal business of the Company is to layout, construct, build, erect, demolish, alter, remodel, or to do any other work related to infrastructure projects including apartments, homes, plazas, markets, convention centers, and other alike buildings, etc.</i></p> <p><b>Profile of Chairman and CEO</b></p> <p><i>Mr. Shafiq Akbar is the Chairman of IMARAT and has experience in real estate and infrastructure development. His career began with Hyundai Engineering &amp; Construction, where he worked on projects such as the Chashma Hydropower Project and the Pirkoh Gas Compression Power Plant. He later moved to the real estate sector in the United Kingdom, working as a certified financial advisor at Douglas Allen. During this period, he gained experience in property investment and asset management. Upon returning to Pakistan, he established IMARAT Group with a focus on formalizing real estate</i></p>	<p>The assigned ratings reflect Amazon Mall (Private) Limited's ('AMAZON' or the 'Company') track record of successfully executing projects such as the Amazon Outlet Mall and Mall of IMARAT Tower 1, coupled with strong buyer interest which has resulted in high occupancy in the completed projects, and strong advance bookings in the ongoing projects. The Company's sales model, which includes contractual buy-back obligations, entails notable off-balance sheet financial commitments; however, these have been consistently managed in the past. Going forward, effective management of these commitments will be key to maintaining financial flexibility.</p> <p>The assigned ratings also take into account the heightened business and industry risks confronting the real estate sector amid Pakistan's challenging macroeconomic environment, characterized by inflation, exchange rate volatility, and political uncertainty. Recent improvements, such as lower interest rates and a stabilized PKR, have provided relief to the operating environment. While the sector remains sensitive to broader economic shifts, the Company's active development portfolio positions it to capitalize on a more favorable macroeconomic outlook, though careful management of associated project risks remains important.</p> <p>The ratings take into account the current capitalization profile, which benefits from low debt levels. Management's intention to secure working capital lines, aimed at addressing short-term cash flow requirements without disrupting ongoing project timelines is considered positive. However, maintaining gearing within reasonable thresholds will be important particularly keeping in view the relatively high industry risk. The Company's efforts to strengthen its governance structure will remain important for ratings, going forward.</p> <p><b>Company Profile</b></p> <p>Amazon Mall (Private) Limited is a private limited company incorporated in Pakistan on November 3, 2016, as Amazon Mall (SMC-Private) Limited under the Companies Act, 1984 (repealed with the enactment of the Companies Act, 2017). Subsequently, on September 10, 2021, the Company was converted into a private limited company. The principal business of the Company is to layout, construct, build, erect, demolish, alter, remodel, or to do any other work related to infrastructure projects including apartments, homes, plazas, markets, convention centers, and other alike buildings, etc. The Company's registered office is located in Islamabad, with a total staff strength of 689 people.</p> <p>The Company operates primarily within two key segments: retail development and hospitality. In the retail sector, it is engaged in the development and management of shopping destinations, including Amazon Outlet Mall and Mall of Imarat. In the hospitality sector, the Company is developing Courtyard by Marriott.</p>

*transactions and integrating technology into the sector. Mr. Akbar holds a Master of Philosophy (M.Phil.) in International Relations and Affairs from the University of Cambridge and a Master of Science (MSc) in Public Policy from Queen Mary University of London.*

Company financials are audited by BDO Ebrahim & Co. Chartered Accountants, a QCR-rated firm categorized as 'Category A' on the SBP's Panel of Auditors.

### Group Profile

IMARAT Group of Companies is a prominent real estate conglomerate, specializing in a wide range of services including marketing, buying, selling, renting, construction, and commercial project management. Comprising 16 companies, the group has made significant strides in digitizing and structuring the real estate market in Pakistan, with a total asset base valued at Rs. 67 billion.

IMARAT Group's key business sectors include retail developments such as Amazon Outlet Mall and IMARAT Builders Mall, and commercial and mixed-use projects like Florence Galleria, Mall of IMARAT, IMARAT Cyber Tower, Grand Bazaar, BAVYLON (Multan), and IMARAT Downtown. The group is also investing in hospitality with projects like Courtyard by Marriott and Residence Inn by Marriott. Additionally, IMARAT Group leads digital innovation in real estate through subsidiaries like Graana.com, an online property marketplace; Agency21 International, a professional real estate brokerage network; and Propmax.AI, a platform focused on digitizing urban land records to enhance transaction transparency.

### Governance Framework

The governance framework of IMARAT Group of Companies is led by Mr. Shafiq Akbar, who serves as both Chairman and CEO of Amazon. Drawing on extensive experience in real estate and infrastructure development, both locally and internationally, Mr. Akbar plays a key role in shaping the group's strategic direction. While his leadership is central to the Company's vision, the presence of a skilled professional team supports continuity and operational efficiency. The Board of Directors, consisting of Mr. Shafiq Akbar and Ms. Mehwish Shafiq, benefits from their combined expertise, though the absence of independent members leaves room for improvement in governance framework. However, as per management, significant progress has been made toward establishing a holding company structure, which is viewed positively from a ratings perspective.

### Business & Industry Risk profile

The sector faces relatively higher business risk due to its cyclical nature, influenced by economic fluctuations, political instability, and varying purchasing power. Despite recent economic recovery, policy reforms, and improved investor sentiment—evidenced by lower interest rates, a stable PKR, and a thriving stock market—the sector remains vulnerable to policy inconsistencies, regulatory delays, and macroeconomic shocks.

The retail segment is active, with high occupancy rates in major malls, but inflation pressures has shifted consumer spending towards essentials. This trend has led to changes in tenant mixes, especially in high-end retail segments. The wholesale and cash-and-carry sector remains

robust, with supermarkets and hypermarkets expanding in urban centers. Developers are investing in large shopping complexes to emulate global retail hubs, but while these malls generate foot traffic, conversion rates remain a challenge, putting pressure on future occupancy.

Pakistan's hospitality industry is expanding, driven by domestic and international tourism. As of 2025, the travel and tourism market is projected to generate around USD 4.26 billion, growing annually by 6–7% through 2029. The hotel sector, valued at USD 1.68 billion in 2025, is expected to reach USD 2.19 billion by 2029. Occupancy rates have returned to pre-pandemic levels, with high demand in major cities like Islamabad, Karachi, and Lahore. Business travel and tourism are key drivers, with four- and five-star hotels maintaining stable occupancy (57%–79%). Islamabad, as a diplomatic hub, sees particularly strong demand. The sector is also bolstered by improved infrastructure, digital booking platforms, and government initiatives. However, it remains susceptible to geopolitical issues, economic instability, and changes in diplomatic or donor activities.

### **Projects:**

#### **Amazon Outlet Mall**

Amazon Outlet Mall is strategically situated on Main GT Road, DHA Phase II, Islamabad, in proximity to key urban areas. As Pakistan's first outlet concept mall, it provides a unique shopping experience with a rainforest-themed ambiance, distinguishing it from conventional retail centers. Amazon Outlet Mall spans 11 floors, offering a total area of 334,474 square feet, of which leasable area is 211,171 square feet. The project has been fully completed and is operational, mitigating any execution risk. The mall's design and infrastructure cater to both retail and corporate clients attracting an annual foot fall of 1,497,654 as of CY24. The total project cost of the outlet mall is recorded at Rs. 3.5b.

The sale and buyback option model provides investors with assured returns and a flexible exit strategy, offering a buyback within 90 days of request. The developer handles leasing, tenant management, rent collection, and maintenance while guaranteeing fixed rental returns, irrespective of occupancy. Applying this model, the subject project has achieved full sales of Rs. 10b and is currently leased out with a 92% occupancy rate.

The rental profile reflects a diversified and balanced tenant mix, with no significant concentration risk. Tenants are distributed across various floors, ranging from retail and food outlets on lower levels to office and service-oriented tenants on higher floors. The rental structure is thoughtfully designed, comprising a mix of fixed rentals (on a per sq ft basis) and revenue-linked leases (as a percentage of tenant sales), with different rates, depending on the tenant category and floor location. Retail tenants typically operate under percentage-of-sales agreements, while fixed rentals are more common among food, fitness, and corporate tenants. This dual approach ensures income stability while enabling upside potential from high-performing tenants. The average lease tenure stands at approximately 6.5 to 7 years, with

several long-term agreements extending beyond 2030, offering strong revenue visibility and operational continuity.

### **Mall of IMARAT - Under Construction**

The Mall of IMARAT (MOI), located on Jinnah Garden Main Approach Road, Islamabad, is part of the IMARAT Downtown development, integrating retail, hospitality, and entertainment. Its strategic location along the Islamabad Expressway offers connectivity to DHA, Bahria Town, Gulberg Greens, and GT Road.

The project comprises two interconnected towers. Tower 1, with a covered area of 710,321 square feet (470,425 square feet leasable), is set to complete by December 2025. It will feature a retail mall, restaurants, offices, a cinema, and includes notable prospective tenants like Monal Restaurant and Imtiaz Supermarket. Tower 2, under construction since January 2025, also covers 710,321 square feet (495,306 square feet leasable) and is expected to complete by December 2028. It will house tech firms as a software park, Courtyard by Marriott, office suites, retail shops, and coworking spaces.

Cost Break-up (Rs. in millions)	Tower 1	Tower 2
<b>Structure Works</b>	2,131.5	4,131.3
<b>MEP Works</b>	3,995.5	4,834.2
<b>Finishing Works</b>	1,547.9	2,680.5
<b>Design Consultant and Misc.</b>	116.0	215.8
<b>PG &amp; D Charges</b>	532.7	572.6
<b>Total Construction Cost</b>	8,323.7	12,434.4
<b>Cost incurred as of Mar'25</b>	3,228.9 (39% of total cost)	209.6 (2% of total cost)

### **Courtyard by Marriott- Under Construction**

IMARAT Group has signed a master agreement with Marriott International to develop and operate three Courtyard by Marriott hotels and one Residence Inn by Marriott in Pakistan. The first hotel, Courtyard by Marriott G-11 Islamabad, follows a franchise and operations model with revenue sharing (3%-4.5%).

Located in G-11 Markaz, Islamabad, the four-star hotel will feature 200 suites, a banquet hall, restaurants, and a gym, catering to both business and leisure travelers. Construction started in July 2021 and is expected to complete by November 2026, with partial operations (100 rooms) beginning in December 2025. The project cost is estimated at Rs. 5,799.6 million, with Rs. 1,705.9 million already incurred by March 2025.

IMARAT Hospitality is collaborating with Marriott for training and plans to recruit experienced management from international markets to ensure global hospitality standards.

**Financial Risk Profile****Profitability**

The Company's revenue profile in FY24 reflected a decline to Rs. 4.7 billion (FY23: Rs. 6.1 billion; FY22: Rs. 3.5 billion), primarily due to lower revenue recognition from under-construction projects, as the bulk of revenue from the Amazon Outlet Mall had been recognized in prior years. With the commencement of mall operations, the Company reported Rs. 331.4 million in revenue from this segment, marking a new income stream. Despite strong sales, profitability was impacted due to higher financial charges, driven by higher policy rates.

Going forward, the Company anticipates a substantial increase in topline to Rs. 12.7 billion in FY25, primarily driven by revenue recognition from the Mall of IMARAT Project. Hospitality income is forecasted to begin contributing from FY26, with consistent profitability expected from FY28 onward. In the medium to long term, with the expansion of hospitality operations and rental income from malls, the Company aims to achieve an average bottom line of around Rs. 4.0 billion annually, contingent on successful project completion and maintenance of high occupancy rates.

**Liquidity**

The liquidity position remains moderate, with current debt servicing indicating sufficient cash flow for debt servicing. Liquidity primarily stems from customer advances, supported by sale and buy-back business model, facilitating construction funding. However, this model also entails significant off-balance sheet commitments due to buy-back obligations, posing a rating constraint. As of June 2024, the buy-back commitments stood at Rs. 36.5 billion.

The Company's access to bank credit remains limited. In addition, liquidity support to associated entities continues, keeping liquidity under pressure. Given group's aggressive development plans, intercompany flows will remain crucial.

**Capitalization**

As of June 2024, the Company's total equity stood at Rs. 2.2 billion (June 2023: Rs. 1.9 billion; June 2022: Rs. 1.4 billion). The capitalization profile remains strong, supported by low debt levels, primarily comprising a long-term loan from MCB for hotel construction.

To enhance financial flexibility, management plans to secure working capital lines to address short-term cash flow needs without affecting project timelines. However, maintaining gearing within prudent levels remains important for ratings.

## Amazon Mall (Private) Limited

## Appendix I

Financial Summary						
Balance Sheet (PKR Millions)	FY21A	FY22A	FY23A	FY24A	FY25P	FY26P
Property, plant and equipment	507.8	672.5	617.2	563.6	523.5	549.3
Intangible Assets	39.1	55.0	106.6	124.5	108.8	95.2
Project Development Cost	3,316.2	4,761.5	5,228.4	6,370.0	7,984.4	3,806.3
Investment Property	0.0	0.0	0.0	0.0	0.0	7,512.0
Due from Associated Undertakings	175.5	1,200.1	2,129.4	3,167.3	2,607.8	2,307.8
Trade debts	12.4	9.0	47.2	47.8	50.2	52.7
Cash & Bank Balances	1,046.9	156.1	25.1	59.6	5.2	1,539.3
Other Assets	692.3	1,017.1	616.4	547.4	695.3	725.3
Total Assets	5,790.1	7,871.2	8,770.2	10,900.2	11,975.1	16,587.7
Creditors	50.1	26.8	280.6	494.0	208.7	240.3
Long-term Debt (incl. current portion)	1,064.1	1,023.2	1,001.9	766.7	600.0	400.0
Total Debt	1,064.1	1,023.2	1,001.9	766.7	600.0	400.0
Unearned Revenue	3,256.5	2,071.4	4,588.5	5,689.5	988.2	2,752.4
Due to Associated Undertakings	181.8	2,899.7	6.4	404.4	148.3	98.9
Other Liabilities	307.7	416.0	1,030.8	1,800.5	277.4	317.8
Total Liabilities	4,860.1	6,437.1	6,908.2	8,661.1	2,222.6	3,809.3
Paid up Capital	0.1	5.0	5.0	5.0	5.0	5.0
Revenue Reserve	930.0	1,382.7	1,857.0	2,234.1	9,746.2	12,772.1
Sponsor Loan	0.0	46.5	0.0	0.0	1.3	1.3
Equity (excl. Revaluation Surplus)	930.1	1,434.2	1,862.0	2,239.1	9,752.5	12,778.4
Income Statement (PKR Millions)						
	FY21A	FY22A	FY23A	FY24A	FY25P	FY26P
Net Sales	2,666.1	3,477.5	6,093.3	4,740.7	12,675.5	8,976.2
Gross Profit	1,669.8	2,037.1	2,790.3	1,465.9	10,170.8	5,163.8
Operating Profit	442.7	524.3	550.3	471.9	7,525.2	3,031.9
Finance Costs	5.3	4.8	3.6	5.2	6.0	6.0
Profit Before Tax	437.3	519.4	546.8	466.7	7,519.2	3,025.9
Profit After Tax	402.8	452.8	474.3	377.1	7,519.2	3,025.9
Ratio Analysis						
	FY21A	FY22A	FY23A	FY24A	FY25P	FY26P
Gross Margin (%)	62.63%	58.58%	45.79%	30.92%	80.24%	57.53%
Operating Margin (%)	16.60%	15.08%	9.03%	9.96%	59.37%	33.78%
Net Margin (%)	15.11%	13.02%	7.78%	7.95%	59.32%	33.71%
FFO (PKR Millions)	493.23	517.83	585.86	534.08	1,487.63	1,573.47
FFO to Total Debt* (%)	46.35%	50.61%	58.48%	69.66%	247.94%	393.37%
FFO to Long Term Debt* (%)	46.35%	50.61%	58.48%	69.66%	247.94%	393.37%
Gearing (x)	1.14	0.71	0.54	0.35	0.06	0.03
Leverage (x)	5.23	4.49	3.71	3.87	0.23	0.30
Debt Servicing Coverage Ratio* (x)	10.80	20.30	2.87	2.63	7.25	7.67
Current Ratio (x)	2.98	0.63	1.88	1.63	4.29	5.80
Return on Average Assets* (%)	6.96%	6.63%	5.70%	3.83%	65.84%	21.19%
Return on Average Equity* (%)	43.31%	38.30%	28.78%	18.39%	125.84%	26.86%



## Amazon Mall (Private) Limited

REGULATORY DISCLOSURES					Appendix II
<b>Name of Rated Entity</b>	Amazon Mall (Private) Limited				
<b>Sector</b>	Construction and Real Estate				
<b>Type of Relationship</b>	Solicited				
<b>Purpose of Rating</b>	Entity Rating				
<b>Rating History</b>	<b>Rating Date</b>	<b>Medium to Long Term</b>	<b>Short Term</b>	<b>Rating Outlook/Watch</b>	<b>Rating Action</b>
	<b>RATING TYPE: ENTITY</b>				
	19-Jun-2025	A-	A2	Stable	Initial
<b>Instrument Structure</b>	N/A				
<b>Statement by the Rating Team</b>	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.				
<b>Probability of Default</b>	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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<b>Due Diligence Meetings Conducted</b>	<b>S.no</b>	<b>Name</b>	<b>Designation</b>	<b>Meeting Date</b>	
	1	Mr. Saad Khalid Awan	Group Chief Commercial Officer	12 <sup>th</sup> Feb 2024	
	2	Mr. Idrees Khattak	Group General Manager Finance	12 <sup>th</sup> Feb 2024	
	3	Mr. Fatim Arbab	General Manager Legal Compliance CCD and Company Secretary	12 <sup>th</sup> Feb 2024	