VIS
Credit Rating Company Limited

RATING REPORT

AMAZON MALL (PRIVATE) LIMITED

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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	August 04, 2026		June 19, 2025	

Shareholding (5% or More)	Other Information
IMARAT Holdings (Private) Limited – 100%	Incorporated in 2016
	Private Limited Company
	Chief Executive: Mr. Shafiq Akbar
	External Auditor: RSM Avais Hyder Liaquat Nauman Chartered Accountants

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.pd

Rating Scale

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

Rating Rationale

The assigned ratings reflect Company's track record of executing Amazon Outlet Mall project and substantial progress on the Mall of IMARAT. The Company's ability to generate strong investor demand, evidenced by high occupancy levels in its operational assets and robust advance sales in its ongoing developments, underpins earnings visibility and provides funding support for project execution. The diversification of its business model into hospitality through the development of the Courtyard by Marriott further broadens its long-term revenue profile. The ratings also incorporate the Company's conservative on-balance-sheet leverage profile and adequate debt servicing capacity, supported by recurring rental income from operational assets and cash inflows from project sales. However, the business model relies significantly on advance customer collections coupled with contractual buy-back commitments, resulting in sizeable off-balance-sheet contingent obligations. While the Company has historically demonstrated its ability to manage these obligations without material stress, the increasing scale of these commitments warrants continued monitoring. In addition, liquidity remains moderated by significant funding deployed in related-party receivables, which could constrain financial flexibility if recoveries are delayed. The ratings therefore remain sensitive to the Company's ability to maintain strong sales momentum, execute ongoing projects within revised timelines and budgets, effectively manage its contingent buy-back obligations, improve liquidity through timely recovery of related-party balances, and sustain adequate debt protection metrics as the hospitality project progresses.

Company Profile

Amazon Mall (Private) Limited ('Amazon' or 'the Company') was incorporated in Pakistan on Nov-3, 2016, as Amazon Mall (SMC-Private) Limited and subsequently converted into a private limited company on Sept-10, 2021. 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 workforce of 600 employees as of FY25. During the year, the Company relocated its registered office from Beverly Center, Blue Area, to its owned premises at Mall of IMARAT, Tower 1, 11th Floor.

The Company's portfolio comprises three projects including one operational mall, Amazon Outlet Mall, while two under construction, Mall of IMARAT (Towers 1 & 2), and the Courtyard by Marriott Hotel.

Group Profile

IMARAT Group of Companies is a prominent real estate conglomerate comprising 16 companies, specializing in a wide range of services including marketing, buying, selling, renting, construction, and commercial project management. 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

Management and Governance

CHAIRMAN/CEO PROFILE

Mr. Shafiq Akbar serves as the CEO of the Company and Chairman of IMARAT Group. He has extensive experience in real estate and infrastructure development, having started his career with Hyundai Engineering & Construction, where he worked on projects including the Chashma Hydropower Project and Pirkoh Gas Compression Power Plant. He later gained experience in property investment and asset management in the UK before establishing IMARAT Group in Pakistan. Mr. Akbar holds an M.Phil. in International Relations from the University of Cambridge and an MSc in Public Policy from Queen Mary University of London.

BOARD & SENIOR MANAGEMENT

The Company's governance structure is reflective of a closely held private entity, with the Board comprising sponsor directors, Mr. Shafiq Akbar and Mrs. Mehwish Shafiq. Senior management consists of experienced professionals with extensive backgrounds in the real estate and engineering sectors.

During the year, the Group has undergone a corporate restructuring to consolidate its businesses under IMARAT Holding (Private) Limited. While the holding company has been incorporated and several group entities including Amazon, have been transferred under it, full implementation of the structure remains on hold due to tax-related implications. The ultimate beneficial owner remains Mr. Shafiq Akbar

The Company's financial statements are audited by RSM Avais Hyder Liaquat Nauman Chartered Accountants, a Category 'A' auditor on the SBP list. The auditor has issued an unqualified opinion on FY25 accounts.

Business Risk

INDUSTRY UPDATE

During FY25–FY26, Pakistan's commercial real estate sector exhibited signs of recovery amid improving macroeconomic conditions. Declining inflation, easing interest rates, and greater exchange rate stability supported a gradual revival in investor confidence, resulting in renewed momentum in commercial developments, particularly mixed-use projects incorporating retail malls, office spaces, hotels, and serviced apartments. The recovery has been led by demand for integrated developments in major urban centers such as Islamabad, Rawalpindi, Lahore, and Karachi, where developers continue to launch projects catering to corporate, hospitality, and retail segments. The hospitality segment also witnessed improving fundamentals, supported by rising domestic tourism, business travel, and government initiatives aimed at attracting foreign investment. The Government's continued emphasis on investment facilitation through the Special Investment Facilitation Council (SIFC), alongside incentives for REITs and large-scale real estate developments, is expected to support the sector's long-term growth prospects.

The geopolitical tensions arising from the Iran–Israel conflict has resulted in renewed interest from overseas Pakistanis and Middle Eastern investors seeking geographical diversification through real estate investments in Pakistan, particularly in premium residential and mixed-use commercial developments. This improved investor sentiment and growing engagement from GCC-based investors is expected to provide incremental support to demand for high-quality commercial projects.

Despite the improving outlook, the sector continues to face structural challenges, including elevated construction costs, lengthy regulatory approval processes, execution delays, and relatively limited availability of long-term project financing. Nevertheless, supported by improving macroeconomic fundamentals, declining financing costs, favorable fiscal measures announced in the FY26–27 Federal Budget, and increasing investor interest from overseas markets, the outlook for Pakistan's commercial real estate sector remains cautiously positive.

Operational Performance

The Company's portfolio comprises of the following projects:

1. **Amazon Outlet Mall - Completed**

Amazon Outlet Mall which spans 11 floors on a total area of 334,474 square feet, is situated on Main GT Road, DHA Phase II, Islamabad and has been fully operational since 2024.

The mall was developed at a cost of PKR 4bn and offers 158,729 square feet of leasable space. The Company maintains a healthy occupancy level of 87% as of FY25 (FY24: 94%). The tenant base is well diversified across retail, food & beverage, fitness, office, and other commercial segments, limiting concentration risk. The rental model comprises a mix of fixed rentals (primarily for food, fitness, and corporate tenants) and revenue-linked leases (for retail tenants) supporting stable recurring income with upside potential. Average lease tenures of 5–10 years further enhance revenue visibility.

Meanwhile, the company operates on the sale and buyback option model with its investors, providing them with guaranteed returns and a flexible exit strategy, offering a buyback within 90 days of request. The Company, as the developer handles leasing, tenant management, rent collection, and maintenance while guaranteeing fixed rental returns, irrespective of occupancy.

Contract Type	Rented Space (sq. ft)
Revenue based	55,710
Fixed	56,622
Internal/ notional	25,527
Vacant	20,870
Total Space	**158,729**

The mall had an average footfall of 1.5mn (FY24: 1.8mn) annually, during FY25.

2. **Mall of IMARAT – Under Construction**

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

The project comprises two interconnected towers. Tower 1 has a covered area of 697,712 square feet, of which 549,163 square feet has been sold to investors, while the remaining area comprises non-saleable space. Although initially scheduled for completion in December 2025, ongoing MEP works have revised the expected completion timeline towards end-2026. During FY25, the estimated project cost increased from PKR 8.1bn to PKR 14.6bn, of which approximately 70% has been incurred, leaving around PKR 4.2bn to be spent.

However, given that the construction is nearing completion (approximately 90% completed), the Company has already secured anchor tenants, including Monal and Al-Fatah. The agreement with Monal is based on a revenue-sharing arrangement, and the facility is expected to accommodate approximately 1,000–1,200 visitors at a time.

	Total Area Sq. ft	Saleable Area	Sold (FY24)	Sold (FY25)	% Sold (FY25)
Mall of IMARAT 1	697,712	549,163	324,861	549,163	100%
Mall of IMARAT 2	879,497	495,306	137,837	171,268	35%

Meanwhile, Tower 2 has been under construction since January 2025, with basement integration works connecting both towers and ground floor construction currently underway. The tower comprises a total covered area of 879,497 square feet, including 495,306 square feet of saleable space, of which 171,268 square feet has been sold to investors. The project is scheduled for completion by December 2028 and will comprise a software park for technology firms, the Courtyard by Marriott hotel, office suites, retail outlets, and coworking spaces. During FY25, the estimated project cost was revised upward from PKR 11.8bn to PKR 17.7bn, of which approximately 8% has been incurred.

	Budgeted Cost (FY24)	Budgeted Cost (FY25)	Cost Incurred	% completed	Remaining cost
Mall of IMARAT 1	8,196	14,639	10,397	71%	4,242
Mall of IMARAT 2	11,862	17,699	1,440	8%	16,259

3. **Courtyard by Marriott – Under Construction**

IMARAT Group entered into 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 project, Courtyard by Marriott G-11 Islamabad, is being developed under a franchise and management model, with revenue sharing (3%–4.5%).

Located in G-11 Markaz, Islamabad, the four-star hotel will comprise 200 suites, banquet facilities, restaurants, and a gym, with a total built-up area of approximately 334,474 square feet. Construction commenced in July 2021, with the revised completion date set for August 2027, primarily to align with the expected increase in accommodation demand ahead of the SCO Summit scheduled in Islamabad in December 2027.

During FY25, the estimated project cost was revised upward from PKR 5.8bn to PKR 7.6bn, of which PKR 3.8bn has been incurred, leaving approximately 50% of the project cost outstanding. The Company availed a long-term loan of approximately PKR 1bn from MCB in FY21 to finance the project and plans to raise additional debt as construction progresses, given that unlike its mall projects, hotel development cannot be funded through advance sales to investors due to its exclusive arrangement with Marriott.

	Budgeted Cost (FY24)	Budgeted Cost (FY25)	Cost Incurred	% completed	Remaining cost
Amazon G-11 Hotel	5,800	7,665	3,864	50%	3,800

PROFITABILITY

During FY25, the Company recorded a topline of PKR 3.7bn (FY24: PKR 4.7bn), reflecting a 21% YoY decline primarily due to absence of further project sales from the completed Amazon Outlet Mall, which had contributed PKR 4.3bn to revenue in FY24. During the year, revenue was primarily driven by PKR 3.4bn in project sales from the Mall of IMARAT. Recurring income from Amazon Outlet Mall operations and the hospitality business remained broadly stable at PKR 347mn (FY24: PKR 383mn). As of April 2026, topline increased to PKR 4.3bn due to project sales from substantially completed Tower 1 of the Mall of IMARAT.

Gross margins improved to 54% in FY25 (FY24: 31%), supported by the higher profitability on Mall of IMARAT sales, and remained stable at 53% during 10MFY26. However, operating and net margins came under pressure during 10MFY26 due to a significant increase in administrative and selling expenses.

Management expects FY26 topline to record at PKR 4.4bn and anticipates a steady growth in revenue stream over the medium term supported by sales from Mall of IMARAT project.

Financial Risk

CAPITAL STRUCTURE

The Company maintains a conservative capital structure, with gearing improving to 0.22x at end-FY25 (FY24: 0.34x) and further declining to 0.13x as of 10MFY26, reflecting lower debt levels. The Company's only long-term borrowing comprises project financing obtained from MCB for the Courtyard by Marriott hotel. Leverage, however, remains relatively elevated due to the nature of its business, as project construction is largely financed through customer advances.

Going forward, management plans to secure additional debt to support the hotel project construction, which, unlike the Company's mall developments, cannot be financed through advance sales to investors due to its exclusive development arrangement with Marriott.

DEBT COVERAGE & LIQUIDITY

The Company's liquidity profile remains constrained despite adequate operating cash flow generation. A significant portion of its financial resources has been deployed in the form of advances and receivables from related parties and associated projects, amounting to PKR 10.2bn as of 10MFY26. While these investments are intended to support group developments, they reduce immediately available liquidity and may constrain the pace of execution and funding flexibility for the Company's ongoing projects if recoveries are delayed. Furthermore, the Company's sale-and-buyback model, although effective in mobilizing construction funding, gives rise to sizeable off-balance sheet contingent liabilities in the form of guaranteed buyback obligations. These commitments increased to PKR 41.7bn at end-FY25 (FY24: PKR 36.5bn) and represent a significant liquidity consideration, as the Company is obligated to repurchase investor units upon request. Accordingly, while debt servicing capacity remains adequate, with a DSCR of 3.67x in FY25 (FY24: 2.63x) and 1.54x during 10MFY26, the elevated related-party funding exposure and sizeable contingent buyback obligations continue to constrain the overall liquidity profile and remain important rating considerations.

Advances as at end-FY25	Amazon Mall	MOI - I	MOI - II	Total
Opening Balance	1,000	2,436	2,253	**5,690**
Receipts during the year	3,474	11,662	1,742	**16,879**
Buybacks	(2,562)	(3,524)	(619)	**(6,706)**
Discounts	(1,912)	(2,355)		**(4,268)**
Revenue recognized during the year		(3,169)	(217)	**(3,386)**
Balance as at June 30, 2025	-	5,050	3,159	**8,209**

FINANCIAL SUMMARY *(amounts in PKR millions)* *Appendix I*

BALANCE SHEET	FY22 A	FY23 A	FY24 A	FY25 A	10MY26 M
Property and equipment	673	617	564	531	598
Project Development Cost	4,761	5,228	6,370	7,940	8,209
Trade & other receivables	95	47	48	51	112
Due from related parties	1,200	2,129	3,167	8,220	10,163
Cash & Bank Balances	156	25	60	55	48
Total Assets	**7,871**	**8,770**	**10,900**	**17,757**	**21,324**
Long-term Debt (incl. current portion)	1,023	1,002	767	567	400
Total Debt	1,023	1,002	767	644	400
Unearned revenue	2,071	4,589	5,690	8,209	13,303
Due to related parties	2,900	6	404	3,573	1,271
Trade & other payables	414	1,273	1,730	2,375	3,096
Total Liabilities	**6,437**	**6,908**	**8,661**	**14,813**	**18,169**
Paid up Capital	5	5	5	5	5
Unappropriated profits	1,383	1,857	2,234	2,939	3,150
Total Equity	**1,434**	**1,862**	**2,239**	**2,944**	**3,155**

INCOME STATEMENT	FY22 A	FY23 A	FY24 A	FY25 A	10MY26 M
Revenue	3,477	6,093	4,741	3,727	4,327
Gross Profit	2,037	2,790	1,466	2,029	2,315
Operating Profit	524	297	448	809	217
Finance Costs	(5)	(4)	(5)	(30)	(7)
Profit Before Tax	519	547	467	774	211
Profit After Tax	453	474	377	705	152

RATIO ANALYSIS	FY22 A	FY23 A	FY24 A	FY25 A	10MY26 M
Gross Margin	58.6%	45.8%	30.9%	54.4%	53.5%
Operating Margin	15.1%	4.9%	9.5%	21.7%	5.0%
Net Margin	13.0%	7.8%	8.0%	18.9%	3.5%
Funds from Operation (FFO)*	518	586	534	814	260
FFO to Total Debt* (x)	0.51	0.58	0.70	1.26	0.78
FFO to Long Term Debt* (x)	0.51	0.58	0.70	1.44	0.78
Gearing (x)	0.71	0.54	0.34	0.22	0.13
Leverage (x)	4.49	3.71	3.87	5.03	5.76
Debt Servicing Coverage Ratio* (x)	20.30	2.87	2.63	3.67	1.54
Current Ratio (x)	0.63	1.88	1.63	1.48	2.67
(Stock in trade + trade debts) / STD (x)	-	-	-	0.67	-
Return on Average Assets*	5.8%	5.7%	3.8%	4.9%	0.9%
Return on Average Equity*	31.6%	28.8%	18.4%	27.2%	6.0%
Cash Conversion Cycle (days)*	(704)	(11)	10	(468)	62

**Annualized, if required*

A - Actual Accounts

M - Management Accounts

REGULATORY DISCLOSURES	Appendix II
Name of Rated Entity	Amazon Mall (Private) 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	Outlook / Rating Watch	Rating Action
RATING TYPE: ENTITY				
04-Aug-2026	A-	A2	Stable	Reaffirmed
19-Jun-2025	A-	A2	Stable	Initial

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

S.No.	Name	Designation	Date
1.	Mr. Saad Khalid	Group Chief Commercial Officer	09-July-26
2.	Mr. Musaddeq Ali Khan	Group Chief Financial Officer	