

ASSOCIATED TECHNOLOGIES (PRIVATE) LIMITED

Analyst:

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RATING DETAILS

Ratings Category	Latest Rating		Previous Rating	
	Medium to Long-term	Short-term	Medium to Long-term	Short-term
Entity	A-	A2	A-	A2
Rating Outlook/ Watch	Stable		Stable	
Rating Action	Reaffirmed		Reaffirmed	
Rating Date	May 13, 2026		January 17, 2025	

Shareholding (5% or More)

M. Mobashir A. Malik – 80.6%

Ms. Sadia Malik – 19.4%

Other Information

Incorporated in 1987

Private Limited Company

Chief Executive: M. Mobashir A. Malik

External Auditor: Naveed Mukhtar and Co.

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Corporates Ratings

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

Rating Scale

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

Rating Rationale

Associated Technologies (Pvt) Limited ('ATPL' or 'the Company') is a family-owned entity specializing in steel tower fabrication for power transmission lines and telecommunication services, construction services, and solar power projects. The assigned ratings reflect a low-to-medium business risk, characterized by sustained demand for transmission and telecommunication towers, localized manufacturing, and the established market positions of both the Company and its subsidiary, Tower Power (Pvt) Ltd (TPL) operating within the TowerCo segment. During FY25, revenue contracted by 8.3% due to dampened downstream demand, though the Company demonstrated resilience as net margins recovered, driven by addition of solar segment, increased other income and lower financial charges. While ATPL faces significant customer concentration risk, with TPL accounting for 87% of sales, however, its ownership control provides comfort. Further, ATPL's strategic alignment with the ongoing 5G technology integration and DISCOs privatization positions it to capitalize on long-term infrastructure upgrades in the telecom and power sectors. Furthermore, the ratings incorporate ATPL's robust financial profile, characterized by a conservative capital structure, strengthening debt coverage, and a healthy project pipeline.

Company Profile

Associated Technologies (Pvt) Limited (“ATPL” or “the Company”) operates primarily within steel fabrication and construction contracts sectors as a family-owned entity. In FY23, a significant restructuring occurred, whereby an operational segment focused on telecom passive infrastructure was successfully transferred to its wholly owned subsidiary, Tower Power (Pvt) Ltd. The registered office of the company is situated in Model Town, Lahore, while its manufacturing unit is located at Multan Road, Chohang, Lahore. The bifurcation of the Company’s operations is categorized as follows:

- Fabrication of steel towers and structures, catering to telecommunication and power sectors
- Construction contracts related to civil works and tower erection
- Solar projects which include installation services of solar panels and equipment. This is a newly added segment launched in FY25

Group Profile

The Group has interests in TowerCo, hydro power and infrastructure development sectors. The Company is the sole owner of Tower Power (Pvt) Ltd (TPL), which holds 7-8% market share in TowerCo sector, and 99% share in Kandiah Hydro Power (Pvt) Ltd which is a hydropower project in Khyber-Pakhtunkhwa currently on hold by the government. Mehar Hydropower (Pvt) Ltd is a hydropower project in Punjab, also awaiting government funding and on hold. Inaara Impact Ventures (Pvt) Ltd is an infrastructure development company. Micronet Broadband (Pvt) Ltd is the parent company of Nayatel (Pvt) Ltd, a leading fiber-to-the-home (FTTH) internet service provider in Pakistan.

Company	Relation	Holding	Net carrying amount June 2025
Tower Power (Pvt) Ltd	Subsidiary	100%	PKR 8,750m
Kandiah Hydro Power (Pvt) Ltd	Subsidiary	99%	PKR 0.99m
Mehar Hydropower (Pvt) Ltd*	Associate	20%	PKR 10.0m
Inaara Impact Ventures (Pvt) Ltd*	Associate	40%	PKR 4.0m
Micronet Broadband (Pvt) Ltd	Investment	15.84%	PKR 103.7m

*Remaining shareholding of these companies is held by the company directors, Mobashir Ahmed Malik and Sadia Malik.

ATPL is prioritizing long-term value by reinvesting funds into property development, where unrealized gains significantly enhance margins. Dividend income remains moderated as in FY25, ATPL facilitated a PKR 580.5m support injection for TPL, ensuring a more resilient group financial profile.

Management and Governance

ATPL is owned by members of the sponsoring family, including its CEO Mobashir ahmed Malik and his daughter, Sadia Malik. Mr. Malik, who holds a Master’s degree in Mechanical Engineering from Texas A&M University (1983), began his career as an engineer at the Company and later became its owner and CEO. The leadership team also includes Sadia Malik’s husband, with all three playing key management roles and involved in daily operations. There are no independent board committees. A succession plan is in place, with Sadia Malik designated to succeed the CEO; she currently oversees finance, IT, and human resources.

Industry Profile & Business Risk

The steel tower fabrication industry primarily addresses the infrastructure requirements of two main sectors: telecommunications and power. Both sectors are expected to experience growth due to favorable developments. For instance, the expansion of 4G and the rollout of 5G spectrum are likely to drive demand for new telecom towers, as 5G technology necessitates a denser network of towers due to its higher frequency bands. Broadband penetration reached significant milestone

of 60% by end of FY25, a substantial increase from 52% recorded in FY23. This growth is driven by the country surpassing 150 million broadband connections, supported by an extensive 95% 4G-enabled cellular network coverage. The Household Integrated Economic Survey (HIES) 2024–25, highlight even deeper digital integration, with over 70% of Pakistani households now having access to internet services. This rapid expansion underscores a fundamental shift in consumer behavior and a maturing market for digital services. Population growth and urbanization also factor into not only network providers but also the power sector. A significant contribution is expected from this sector following the privatization of Distribution Companies (DISCOs) in line with government initiatives, as well as new Independent Power Producers (IPPs) under the CPEC project. These developments are projected to result in increased investment in infrastructure improvements and upgrades to the grid and technology. ATPL's competitors in steel fabrication segment include Siddiq Sons Engineering (Pvt) Ltd and IKAN. Additionally, considering that a substantial portion of ATPL's revenue is derived from contracts with TPL, which operates in the TowerCo industry, the competitive landscape of this sector is shaped by 17 telecom tower providers in Pakistan, according to PTA data. Engro Enfrashare, following a massive acquisition of Jazz's towers in March 2025, furthered its market share, now holding ~75% share (2024: 50%), Edotco followed with approximately 16% (2024: 34%) while TPL held 7% (2024: 13%), and Tawal Telecom maintained 2% (2024: 2%) market share in TowerCo industry.

Operational Update

While production capacity remains unchanged, actual production of towers decreased in FY25, on account of subdued market demand. However, the management anticipates production of towers to increase in the long-term, driven by increasing demand for remote data services and increasing demand due to 5G technology adoption.

Capacity Utilization of Steel Towers			
	2025	2024	2023
Installed Capacity (mln kg)	21	21	21
Actual Production (mln kg)	7.6	10.3	9.3
Capacity Utilization	36.20%	49.10%	44.10%

Sales & Profitability

During FY25, net sales contracted by 8.3%, primarily driven by dampened downstream demand. TPL, the largest customer and the Company's wholly owned subsidiary, accounted for 87% (FY24-25: 86%) of total revenue in 1HFY26. While telecom tower supplies continue to lead as largest sales segment, transmission line business remains tied to the intermittent, yet visible, demand from DISCOs, representing 10% (FY24: 9%) revenue in FY25. The Company did not record any revenue from transmission line segment in 1HFY26. However, the significant shift was in renewable energy was visible wherein after maintaining a modest 2% revenue share through FY24 and FY25, solar project sales surged to 10% in 1HFY26.

Gross margins remained largely stable at 11.4% in FY25 (FY24: 9.17%) and improved to 15.85% in 1HFY26, driven by higher revenue from solar projects. Net margins recovered to 11.3% (FY24: 2.7%; FY23: 10.9%), supported by a reversal of expected credit losses, increased interest and dividend income, and lower financial charges. Net margins further improved to 12.3% in 1HFY26.

Projects in hand include a mix of telecom towers, transmission line supply and solar projects. The Company expects to deliver over ~250 telecom towers (~PKR 1.86b) by August 2026. The management expects that the Company will win bids of approximately ~PKR 1.87b projects in transmission line supply segment from DISCOs. Solar projects in hand amount PKR 172.8m, which are expected to be delivered within FY27. Modest growth in net sales is anticipated going forward, supported by consistent tower demand as 5G initiation and solar energy adoption accelerate.

Financial Risk

Capital Structure

The equity base increased steadily to PKR 11.5b by end-1HFY26 (FY25: PKR 11.3b; FY24: PKR 10.99b), supported by consistent profit retention, the inclusion of capital reserves from fair value changes on equity investments and an unsecured, non-interest-bearing director's loan, which is repayable at the Company's discretion. The higher equity base, along with a reduction in borrowings, led to a modest improvement in capitalization metrics. Gearing was negligible, while leverage improved to 0.36x (end-FY25: 0.39x; end-FY24: 0.52x) at end-1HFY26.

Debt Coverage & Liquidity

Funds from Operations (FFO), adjusted for dividend income and interest income, increased to PKR 246m (FY25: PKR 222m; FY24: PKR 54m) in 1HFY26, which in turn also improved debt coverage. ATPL has maintained a stable current ratio of 1.0x, while its short-term debt coverage also remains adequate. Furthermore, the negative cash conversion cycle reflects the Company's reliance on an extended payables cycle to finance working capital requirements.

FINANCIAL SUMMARY					
Balance Sheet (PKR Millions)	FY22A	FY23A	FY24A	FY25A	1HFY26M
Property, plant and equipment	4,623	125	122	124	129
Long-term Investments	196	8,425	8,425	9,005	9,005
Stock-in-trade	707	698	927	644	880
Trade debts	957	1,029	1,299	995	728
Cash & Bank Balances	382	229	985	282	388
Other Assets	4,251	4,627	4,981	4,602	4,524
Total Assets	11,116	15,133	16,742	15,746	15,655
Creditors	2,514	2,637	3,978	3,578	3,534
Long-term Debt (incl. current portion)	1,256	1,044	875	185	119
Short-Term Borrowings	496	501	529	353	117
Total Debt	1,752	1,545	1,571	538	236
Other Liabilities	726	249	176	314	349
Total Liabilities	4,992	4,431	5,725	4,430	4,118
Paid up Capital	10	10	10	10	10
Revenue Reserve	6,013	10,506	10,614	11,201	11,526
Equity (excl. Revaluation Surplus)	6,124	10,598	10,886	11,316	11,536
Income Statement (PKR Millions)	FY22A	FY23A	FY24A	FY25A	1HFY26M
Net Sales	2,995	3,441	4,027	3,692	1,792
Gross Profit	1,240	344	369	422	284
Operating Profit	1,376	409	650	705	335
Finance Costs	167	325	272	141	19
Profit Before Tax	1,208	84	378	564	317
Profit After Tax	922	374	324	416	221
Ratio Analysis	FY22A	FY23A	FY24A	FY25A	1HFY26M
Gross Margin	41.39%	10.00%	9.17%	11.42%	15.86%
Operating Margin	45.94%	11.89%	16.15%	19.11%	18.71%
Net Margin	30.80%	10.87%	8.04%	11.27%	12.30%
Funds from Operation (FFO) (PKR Millions)	1,052	-108	54	222	141
FFO to Total Debt*	60.02%	-7.01%	3.49%	9.01%	119.36%
FFO to Long Term Debt*	83.73%	-10.37%	5.32%	26.20%	237.03%
Gearing (x)	0.29	0.15	0.14	0.05	0.02
Leverage (x)	0.82	0.42	0.52	0.39	0.36
Debt Servicing Coverage Ratio* (x)	7.14	1.06	0.80	1.87	5.22
Current Ratio (x)	1.00	1.00	1.00	1.00	1.06
(Stock in trade + trade debts) / STD (x)	3.35	3.44	4.21	4.65	13.72
Return on Average Assets*	9.47%	2.85%	2.03%	2.58%	2.81%
Return on Average Equity*	16.21%	4.48%	3.01%	3.79%	3.86%
Cash Conversion Cycle (days)*	-214	-115	-123	-196	-250

*Annualized, if required

A - Actual Accounts

M - Management Accounts

REGULATORY DISCLOSURES						Appendix I
Name of Rated Entity	Associated Technologies (Private) Limited					
Sector	Engineering					
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					
	13-May-2026	A-	A2	Stable	Reaffirmed	
	01-Jan-2025	A-	A2	Stable	Reaffirmed	
	25-Sep-2023	A-	A2	Stable	Reaffirmed	
	03-Jun-2022	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.					
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Due Diligence Meeting Conducted	Name		Designation		Date	
	Imran Ashraf		Group CFO		20-April-2026	
	Rana Zeeshan		Manager Accounts			