

## ARTISTIC WIND POWER (PVT) LIMITED

### Analysts:

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### RATING DETAILS

RATINGS CATEGORY	Latest Rating		Previous Rating	
	Long-term	Short-term	Long-term	Short-term
ENTITY	A+	A1	A	A2
RATING OUTLOOK/ WATCH	Stable		Stable	
RATING ACTION	Upgrade		Reaffirmed	
RATING DATE	May 25, 2026		May 12, 2025	

### Shareholding (5% or More)

Artistic Milliners (Pvt.) Limited (AMPL) – 99.9%

### Other Information

Incorporated in 2015

Private Limited Company

Chief Executive: Ms. Momina Yaqoob

Chairman of the Board: Mr. Yaqoob Ahmed

External Auditor: BDO Ebrahim & Co. Chartered Accountants

### Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Corporates Ratings  
<https://docs.vis.com.pk/docs/CorporateMethodology.pdf>

### Rating Scale

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

### Rating Rationale

The assigned ratings reflect Artistic Wind Power (Private) Limited's ('AWPPL' or the 'Company') operational profile in the renewable energy sector, supported by a long-term Energy Purchase Agreement (EPA) with sovereign-backed payment mechanisms, providing visibility to cash flows and mitigating counterparty risk. Ratings also derive comfort from the Non-Project Missed Volume (NPMV) mechanism, which supports revenue stability in the event of curtailment and power evacuation constraints.

The ratings incorporate the Company's stable operational framework under a long-term Operations & Maintenance (O&M) arrangement and support from its sponsor, Artistic Milliners (Private) Limited. The upgrade further reflects gradual improvement in capitalization indicators through scheduled debt repayments and equity accretion. However, ratings remain sensitive to variability in wind patterns, generation levels, coverage indicators and the receivables profile.

## Company Profile

Artistic Wind Power (Private) Limited (“AWPPL” or “the Company”) was incorporated in Pakistan on October 26, 2015 as a private limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The Company is a wholly owned subsidiary of Artistic Milliners (Private) Limited and operates as a Special Purpose Company (SPC) for wind-based power generation. AWPPL operates a 50MW wind power plant located at Jhimpir, District Thatta, Sindh, while the registered and head office of the Company is situated in Karachi. The Project was established at a total cost of USD 66.2m and financed through a debt-to-equity ratio of 80:20, with debt sourced equally from local and foreign lenders. Financial close was achieved in November 2019, while Commercial Operations Date (CoD) was achieved on February 16, 2022.

The Company has entered into a 25-year Energy Purchase Agreement (EPA) with Central Power Purchasing Agency (Guarantee) Limited under a take-or-pay arrangement and an Implementation Agreement (IA) with the Government of Pakistan, providing a structured revenue stream supported by sovereign backing. The offshore Engineering, Procurement and Construction (EPC) contract was awarded to Power Construction Corporation of China Limited for supply of electrical and mechanical equipment, while the onshore EPC contract and Operations & Maintenance (O&M) activities are managed by HydroChina International Engineering Company Limited. The O&M agreement, initially executed for two years, was subsequently extended for an additional eleven-year period and remains valid through 2030.

During FY25, no material changes were noted in the Company’s contractual arrangements, with existing agreements continuing under the previously established structure.

## Management and Governance

### SPONSOR PROFILE AND BOARD OF DIRECTORS

AWPPL is a wholly owned subsidiary of Artistic Milliners (Private) Limited. The sponsor group has an established presence in the textile sector and renewable energy space, providing strategic oversight and support to the Company.

The Board of Directors comprises Mr. Yaqoob Ahmed, Mr. Muhammad Omer Ahmed and Mr. Muhammad Murtaza Ahmed, while the Company is headed by Ms. Momina Yaqoob. No changes in Board composition were reported during FY25.

### Auditor’s Opinion

BDO Ebrahim & Co. Chartered Accountants is on the State Bank of Pakistan (SBP) panel of auditors under Category ‘A’ and has received a “Satisfactory” rating under the Quality Control Review (QCR) framework of the Institute of Chartered Accountants of Pakistan (ICAP). The firm has issued an unmodified and unqualified opinion on the Company’s FY25 financial statements.

## Business Risk

### INDUSTRY

The business risk profile for Pakistan’s renewable energy sector is assessed as medium to low by VIS, reflecting stable regulatory support through long-term contracts and fixed tariffs, however, certain risks emanate from changing regulatory dynamics. As of early 2025, the country’s total installed power generation capacity stands at approximately 46,605 MW, with renewable energy sources, comprising wind, solar, and biomass, accounting for nearly 12.2% of the energy mix.

Growth momentum has been aided by the Alternative and Renewable Energy Policy 2019 and the Indicative Generation Capacity Expansion Plan (IGCEP 2047), which prioritize renewables through competitive bidding and grid modernization. Pakistan’s geographic and climatic conditions further support sector expansion, with wind potential of 50,000 MW in Sindh and Balochistan and an average solar irradiance of 5.3 kWh/m<sup>2</sup> per day. These fundamentals have attracted international investments and encouraged the development of large-scale wind corridors and solar parks.

Regulatory risk for renewable IPPs in Pakistan is mitigated as tariff structure is determined under a benchmarked and indexed long-term Energy purchase agreements, insulating projects from any major revision that may impact debt servicing capabilities. The sector is also not exposed to recurring capital expenditure once projects are commissioned, with any BMR requirements included in O&M contracts and embedded within the tariff. Moreover, IPPs with EPAs executed with CPPA-G are largely protected from circular debt accumulation. While receivable collections may extend beyond agreed credit periods, such delays represent the mechanism through which circular debt arises at the sector level. For IPPs, counterparty delay payment risk remains mitigated by sovereign guarantee coverage, which ensures eventual settlement of dues and if needed a mechanism for commercial borrowing against these sovereign guaranteed receivables.

Technology-related risks persist in the form of rising consumer-level adoption of distributed solar, driven by improvements in panel efficiency, which is gradually impacting demand growth for grid-based supply. However, competition risk for established renewable IPPs remains limited. Long-term contracts, must-run status, lower generation costs relative to conventional sources, and high entry barriers insulate incumbent projects from substitution or demand-side risks. Given their must-run status and current contribution of around 6% to total generation, any potential fall in grid demand is unlikely to materially impact offtake.

## OPERATIONAL UPDATE

Production and Capacity Utilization	FY24	FY25	1HFY26
Installed Capacity (KWH)	438,000,000	438,000,000	219,000,000
Production Capacity Factor of 38% (KWH)	166,440,000	166,440,000	83,220,000
Actual production	167,401,605	135,176,324	68,514,676
Capacity factor (Actual)	38.10%	30.80%	30.96%
Availability	99.91%	99.28%	99.82%

The Company reported a capacity factor of 30.80% in FY25 (FY24: 38.10%), depicting a decline on a year-on-year basis and remaining below the benchmark production capacity factor of 38%. The reduction was primarily attributable to comparatively weaker wind conditions during the year, with average wind speed declining to 5.84m/s in FY25 from 6.13m/s in FY24. Consequently, actual generation declined by approximately 19% to 135.18m KWh (FY24: 167.40m KWh). Despite lower generation levels, operational performance remained stable, with plant availability remaining strong at 99.28% (FY24: 99.91%).

In 1HFY26, the capacity factor remained broadly stable at 30.96%, while actual generation stood at 68.51m KWh against benchmark generation of 83.22m KWh. Plant availability improved further to 99.82%. Going forward, management has indicated that generation outlook remains uncertain given the inherent variability in wind patterns and dependence on climatic conditions. Lower offtake risk continues to remain mitigated through the Non-Project Missed Volume (NPMV) compensation mechanism under the Energy Purchase Agreement (EPA), whereby the Company remains entitled to compensation in the event of non-project related constraints affecting power evacuation.

## PROFITABILITY

The Company's revenue declined by approximately 9% in FY25 to PKR 2.21b (FY24: PKR 2.42b). Furthermore, the Company's tariff profile depicted a slight declining trend, with total tariff decreasing from Rs. 14.2951/kWh during Oct-Dec'24 to Rs. 14.0915/kWh during Oct-Dec'25 and further to Rs. 13.8924/kWh during Jan-Mar'26. The decline primarily reflected lower interest components associated with foreign and SBP-backed debt facilities.

Gross margin declined to 57.34% in FY25 (FY24: 63.57%). Similarly, operating and net margins reduced to 57.60% (FY24: 65.33%) and 23.55% (FY24: 28.03%), respectively. Meanwhile, finance costs decreased to PKR 731.48m (FY24: PKR 885.67m). Consequently, profit after tax was reported at PKR 519.27m in FY25, compared to PKR 676.95m in the preceding year.

In 6MFY26, profitability weakened further, with gross margin and net margin declining to 54.03% and 18.00%, respectively. Profit after tax amounted to PKR 174.39m during the period.

## Financial Risk

### CAPITAL STRUCTURE

The Company's capitalization profile improved in FY25, with gearing and leverage declining to 2.26x and 2.49x, respectively (FY24: 2.82x and 3.11x). The improvement was primarily driven by scheduled amortization of long-term borrowings and growth in equity. During FY25, profit after tax supported growth in revenue reserves, increasing the equity base to PKR 3.71b from PKR 3.19b in FY24.

In 6MFY26, leverage improved further to 2.28x (FY25: 2.49x), while gearing remained stable at 2.26x and growth in equity to PKR 3.89b (FY25: PKR 3.71b). Overall capitalization indicators remain supported by gradual deleveraging and equity accretion.

## DEBT COVERAGE & LIQUIDITY

Debt Service Coverage Ratio (DSCR) remained at 1.03x (FY24: 1.22x), driven by lower production levels and adjustments in the debt components of the tariff.

The Company's liquidity profile depicted improvement in FY25, with the current ratio increasing to 0.94x (FY24: 0.89x). Cash and bank balances increased to PKR 116m (FY24: PKR 80m), while trade debts rose to PKR 1.01b (FY24: PKR 717m). Liquidity support was further supplemented through short-term investments amounting to PKR 236m. Liquidity risk remains primarily linked to the timing of receivable collections from CPPA-G, which constitutes a major portion of outstanding receivables. In 6MFY26, cash balances increased further to PKR 217m, while short-term investments stood at PKR 253m. The current ratio increased significantly to 19.27x primarily due to lower current liabilities at period-end.

## Financial Summary

Balance Sheet (PKR Millions)	FY23A	FY24A	FY25A	6MFY26M
Property, plant and equipment	12,515.17	11,902.51	11,487.91	11,315.76
Right-of-use Assets	30.86	0.00	23.58	23.59
Trade debts	906.29	716.98	1,005.65	820.83
Short-term Investments	135.67	328.38	235.81	252.60
Cash & Bank Balances	62.66	80.09	115.58	217.17
Other Assets	67.88	94.76	65.34	116.00
<b>Total Assets</b>	<b>13,718.53</b>	<b>13,122.72</b>	<b>12,933.87</b>	<b>12,745.95</b>
Other Payables	132.57	172.18	167.96	0.00
Long-term Debt (incl. current portion)	9,795.32	9,010.97	8,391.75	8,786.02
Short-Term Borrowings	429.00	0.00	0.00	0.00
<b>Total Debt</b>	<b>10,224.32</b>	<b>9,010.97</b>	<b>8,391.75</b>	<b>8,786.02</b>
Other Liabilities	846.97	747.98	663.29	74.69
<b>Total Liabilities</b>	<b>11,203.86</b>	<b>9,931.13</b>	<b>9,223.00</b>	<b>8,860.71</b>
Paid up Capital	1,974.70	1,974.70	1,974.70	1,974.70
Revenue Reserve	539.96	1,216.91	1,736.18	1,910.53
Equity (excl. Revaluation Surplus)	2,514.66	3,191.61	3,710.88	3,885.23

Income Statement (PKR Millions)	FY23A	FY24A	FY25A	6MFY26M
Net Sales	1,765.69	2,415.39	2,205.16	969.04
Gross Profit	1,047.12	1,535.53	1,264.33	523.53
Operating Profit	1,075.13	1,577.99	1,270.15	506.13
Finance Costs	793.64	885.67	731.48	331.21
Profit Before Tax	281.49	692.32	538.67	174.92
Profit After Tax	277.56	676.95	519.27	174.39

Ratio Analysis	FY23A	FY24A	FY25A	6MFY26M
Gross Margin (%)	59.30%	63.57%	57.34%	54.03%
Operating Margin (%)	60.89%	65.33%	57.60%	52.23%
Net Margin (%)	15.72%	28.03%	23.55%	18.00%
Funds from Operation (FFO) (PKR Millions)	692.41	1,191.92	1,046.10	174.92
FFO to Total Debt* (%)	6.77%	13.23%	12.47%	3.98%
FFO to Long Term Debt* (%)	7.07%	13.23%	12.47%	3.98%
Gearing (x)	4.07	2.82	2.26	2.26
Leverage (x)	4.46	3.11	2.49	2.28
Debt Servicing Coverage Ratio* (x)	1.15	1.22	1.03	0.53
Current Ratio (x)	0.79	0.89	0.94	19.27
(Stock in trade + trade debts) / STD (x)	2.11	-	-	-
Return on Average Assets* (%)	2.08%	5.04%	3.99%	2.72%
Return on Average Equity* (%)	11.68%	23.73%	15.05%	9.18%
Cash Conversion Cycle (days)	-191	59	77	138

\*Annualized, if required

A - Actual Accounts

P - Projected Accounts

M - Management Accounts

REGULATORY DISCLOSURES					Appendix II
Name of Rated Entity	Artistic Wind Power (Pvt) Limited				
Sector	Power				
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				
	05/25/2026	A+	A1	Stable	Upgrade
	05/12/2025	A	A2	Stable	Reaffirmed
	05/14/2024	A	A2	Stable	Reaffirmed
	04/18/2023	A	A2	Stable	Reaffirmed
	04/08/2022	A	A2	Stable	Upgrade
	03/16/2021	A-	A2	Stable	Reaffirmed
03/16/2020	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. Ali Iqbal	Sr. Finance Manager	12th May 2026		