

NASDA GREEN ENERGY LIMITED

Analysts:

Musaddeq Ahmed Khan
(musaddeq@vis.com.pk)

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	November 6, 2025		October 10, 2024	

Shareholding (5% or More)

Mr. Shahid Rashid Soorty ~ 90.3%

Mr. Asad Shahid Soorty ~ 9.0%

Other Information

Incorporated in 2015

Public Limited Company (Unlisted)

Chief Executive: Mr. Shahid Rashid Soorty

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

Rating Rationale

The ratings reflect the Company's satisfactory operating performance, improving capitalization profile, and adequate debt-servicing capacity underpinned by long-term contractual arrangements with CPPA-G. The ratings incorporate the project's stable cash flows under a cost-plus tariff regime and limited exposure to demand risk. While the profitability profile weakened in FY25 owing to lower indexed tariff components and partial compensation under NPMV revenue, the Company's leverage continued to improve on account of scheduled debt amortization and equity buildup through profit retention. Liquidity coverage remains adequate in view of the project's operational stability and availability of standby short term credit lines. Going forward, recovery in margins is expected following the true-up tariff determination and sustained compliance with financing covenants.

Company Profile

NASDA Green Energy Limited ('NGEL' or 'the Company') was incorporated in Pakistan on June 11, 2015, as a private limited company. On October 20, 2022, the NGEL was converted into a public unlisted company. The main object of the Company is to carry on business of generation and sale of power using wind energy. The registered office of the Company is located at 26-A, S.M.C.H.S, Off Shahrah-e-Faisal, Karachi. The principal place of business of the Company is located at Jhimpir District Thatta, Sindh, Pakistan.

Management and Governance

OWNERSHIP/SPONSOR/CHAIRMAN/CEO PROFILE

Mr. Shahid Rashid Soorty is the CEO of the company. He is also the Managing Director of Soorty Enterprises (Pvt) Limited and possesses over 30 years of experience in the textile sector.

BOD's & COMMITTEE:

The Board of Directors consists of three members, including one female director, all of whom represent the sponsor family. The Company does not have any board committees or independent directors.

Business Risk

INDUSTRY

The business risk profile for Pakistan's renewable energy sector is assessed as low to medium by VIS, reflecting stable regulatory support through long-term contracts and fixed tariffs, however, certain risks emanate from changing regulatory dynamics. As of 2024, the country's total installed power generation capacity stands at approximately 42,000 MW, with renewable energy sources—comprising wind, solar, and biomass—accounting for nearly 6-9% 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/m² per day. These fundamentals have attracted international investments and encouraged the development of large-scale wind corridors and solar parks.

Regulatory risk remains for renewable IPPs in Pakistan, with tariff revisions potentially emanating risks, however, it is mitigated as tariffs are fixed under long-term power 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 PPAs 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 risk remains mitigated by sovereign guarantee coverage, which ensures eventual settlement of dues.

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.

Energy Purchase Agreement (EPA)

The Company signed a 25-year Energy Purchase Agreement (EPA) with the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) on November 11, 2019, while the Implementation Agreement (IA) with Alternative Energy Development Board (AEDB) was signed on November 12, 2019. The levelized tariff was set at US Cents 4.7190/KWh. ROE (return on equity) component of 14% was allowed to the project company.

Experienced O&M Contractor

The O&M contract includes provisions for ensuring the availability of the wind power facility, with specific availability guarantees in place for both FY24 and FY25. As per the new long-term O&M contract, the operators—Siemens Gamesa Renewable Energy (Operator A) and Orient Energy Systems (Operator B)—are responsible for maintaining the wind turbine generators (WTGs) and the balance of plant (BOP), respectively. The availability factors, as outlined in the contract, are critical for operational efficiency, with any deviations leading to liquidated damages (LDs) as per the availability guarantees. These LDs are calculated based on the unavailability of the equipment and capped at an amount equivalent to the contract price for each year. If the facility operates below the guaranteed availability, the operators are required to compensate the employer for the shortfall.

OPERATIONAL UPDATE:

	FY23	FY24	FY25
Plant Capacity	438,000,000	438,000,000	438,000,000
Actual Production (KWH)	148,170,802	118,511,331	125,621,324
Capacity factor (Actual)	36.55%	29.32%	28.94%
Availability	99.00%	99.61%	99.42%

In FY25, the Company's capacity factor declined to 28.94% (FY24: 29.32%), remaining below the benchmark of 38.51% due to continued load curtailment by the power purchaser arising from transmission constraints in the southern network. Since achieving COD, the plant has consistently operated below the benchmark for the same reason. Energy delivered during the year increased by 5% to 125.6 GWh (FY24: 118.5 GWh), supported by favorable wind availability during the period and less curtailment by the power purchaser.

PROFITABILITY:

The Company's revenue declined by 20% in FY25 despite higher generation, primarily due to the decline in tariffs driven by lower foreign and local interest rate benchmarks (LIBOR/SOFR and KIBOR), a stronger PKR reducing USD-linked components, and relatively stable inflation adjustment in O&M costs. The Company also remained exposed to load curtailments by the power purchaser, which resulted in lower energy dispatches relative to available capacity. Compensation for curtailed energy through Non-Project Missed Volume (NPMV) represents only a partial tariff and therefore does not fully offset the loss in potential revenue, weighing on overall profitability.

Gross margin decreased to 47.97% (FY24: 56.98%) in line with the downward movement in tariff components linked to interest and exchange-rate adjustments. The Company has not yet received its true-up tariff determination from NEPRA; management expects a favorable adjustment of approximately Rs. 1.0 billion, representing the retrospective recovery of unindexed or under-indexed tariff components since COD. Net margin stood lower at 9.44% (FY24: 17.94%) in FY25 in line with the overall contraction in gross profitability and absence of any one-off income during the year. Going forward, improvement in profitability will remain contingent upon the finalization of the true-up tariff, while the resolution of load-curtailment constraints will be critical for margin recovery.

Financial Risk**CAPITAL STRUCTURE**

The Company's capitalization profile has strengthened over time, with gearing and leverage improving to 2.51x and 2.76x in FY25 (FY24: 2.85x and 3.12x), supported by scheduled amortization of long-term debt and equity accumulation through retained earnings. The capital structure is comprised of equity and long-term debt, with limited working capital requirements. The equity base increased over the past three years, driven mainly by internal equity build up through retained earnings.

DEBT COVERAGE & LIQUIDITY:

The Company's coverage indicators weakened in FY25, with the Debt Service Coverage Ratio (DSCR) declining to 0.88x (FY24: 1.05x) on account of lower Funds from Operations (FFO) following reduced profitability. As the Non-Project Missed Volume (NPMV) tariff provides only partial compensation for curtailed energy, the related cash inflows do not fully match the revenue that would have been earned under the regular energy tariff, thereby exerting pressure on debt-servicing capacity. Debt-servicing risk, however, is mitigated through the Standby Letter of Credit (SBLC) maintained under lender covenants and, which provides coverage equivalent to six months of debt obligations.

Additional liquidity support is available through short-term working-capital lines amounting to Rs. 750 million, which the Company can draw upon when required to manage timing mismatches in cash flows.

Liquidity position remained constrained, with the current ratio declining to 0.48x (FY24: 0.56x) owing to reduced profitability and lower working capital buffers. While cash balances improved to Rs. 212m, the coverage of short-term obligations remained limited. Liquidity continues to rely on operational cash flows and timely receipts from CPPA-G to meet upcoming debt servicing and payables.

REGULATORY DISCLOSURES

Appendix II

Name of Rated Entity	NASDA Green Energy 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										
	11/6/25	A-	A2	Stable	Reaffirmed						
	10/10/24	A-	A2	Stable	Reaffirmed						
	08/08/23	A-	A2	Stable	Reaffirmed						
	08/02/22	A-	A2	Stable	Reaffirmed						
	04/12/20	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	<table><tr><th>Name</th><th>Designation</th><th>Date</th></tr><tr><td>Mr. Waqar Ahmed</td><td>Head of Finance</td><td>28th Oct 2025</td></tr></table>					Name	Designation	Date	Mr. Waqar Ahmed	Head of Finance	28 th Oct 2025
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