NASDA GREEN ENERGY LIMITED

ANALYST:
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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	Stable		Stable	
RATING ACTION	Upgrade		Reaffirmed	
RATING DATE	November 24, 2026		November 06, 2025	

SHAREHOLDING 5% OR MORE	OTHER INFORMATION
Mr. Shahid Rashid Soorty – 90.3%	**Incorporated in** 2015
Mr. Asad Shahid Soorty – 9.0%	Public Unlisted Company
	External Auditor: BDO Ebrahim & Co. Chartered Accoutants
	Chief Executive Officer: Mr. Shahid Rashid Soorty

APPLICABLE RATING CRITERIA

VIS Entity Rating Criteria Methodology – Corporates
https://docs.vis.com.pk/Methodologies-2026/Corporate-Rating-2026.pdf

APPLICABLE RATING SCALE

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

RATING RATIONALE

The ratings of NASDA Green Energy Limited ('NGEL' or the 'Company') reflects the improvement in its financial risk profile, supported by improved profitability due to reduced curtailments and better wind speeds, enhanced debt coverage due to a declining debt burden. The Company's operational performance remained sound, with higher energy generation and improved plant efficiency contributing to revenue growth, while its favorable merit-order position and competitive tariff support stable cash flow generation. Revenue visibility is underpinned by a long-term Energy Purchase Agreement with CPPA-G, backed by a sovereign guarantee, mitigating counterparty risk. Operational risks remain contained through long-term O&M arrangements with established contractors, supported by comprehensive insurance coverage. Financial performance strengthened during the review period, with improved margins and lower finance costs driving higher profitability and funds from operations. The capital structure also improved through scheduled debt repayments and retention of profits, while enhanced debt servicing capacity reflects stronger internal cash generation. Liquidity has strengthened through higher liquid investments and available working capital lines, although elevated receivables from CPPA-G and persistent collection delays remain sensitive factors. The Company also benefits from demonstrated sponsor support, including an interest-free loan and provision of rent-free office premises. The ratings continue to draw support from the established sponsor profile, predictable contracted cash flows and stable operating performance. Going forward, the ratings will remain dependent on sustained operational efficiency, timely receivable collections, continued improvement in debt coverage and the maintenance of a prudent financial risk profile.

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COMPANY PROFILE

NASDA Green Energy Limited ('NGEL' or the 'Company') was incorporated in Pakistan on June 11, 2015, as a private limited company and subsequently converted into a public unlisted company on October 22, 2020. The principal activity of the Company is to build, own, operate, and maintain a 50 MW wind power generation facility located in the Jhimpir Wind Corridor, District Thatta, Sindh, which achieved Commercial Operations Date (COD) on May 02, 2022. The registered office of the Company is situated at 26-A, S.M.C.H.S, Off Shahrah-e-Faisal, Karachi.

MANAGEMENT & GOVERNANCE

SPONSOR PROFILE

NGEL is part of Soorty Group, a leading vertically integrated denim and textile exporter in Pakistan. Mr. Shahid Rashid Soorty holds a 90.3% shareholding and serves as the Chief Executive Officer (CEO). He is also the Managing Director of Soorty Enterprises (Private) Limited and brings over three decades of industrial and corporate management experience. Sponsor support is demonstrated through an interest-free loan extended by the CEO under the Sponsor Support Agreement, alongside rent-free utilization of head office premises owned by an associated company.

BOARD OF DIRECTORS & INTERNAL CONTROLS

The Board of Directors comprises three members from the sponsor family, including one female director (Mr. Shahid Rashid Soorty, Mr. Asad Shahid Soorty holding 9.0%, and Mrs. Nargis Shahid Soorty holding 0.7%). Internal control processes include an in-house internal audit function that performs pre-audit verification across all payments and transactions. On the social compliance front, the Company established a separate Workers' Profit Participation Fund (WPPF) trust and finalized its trustees during FY26 to facilitate the disbursement of accumulated allocations.

AUDIT OPINION

BDO Ebrahim & Co. Chartered Accountants (categorized on SBP's 'Panel A' of auditors with a satisfactory QCR rating) issued an unqualified audit opinion on the financial statements for the year ended June 30, 2026.

BUSINESS RISK

INDUSTRY

The business risk profile for Pakistan's renewable energy sector is assessed as medium to low by VIS. This assessment reflects the regulatory framework characterized by long-term contracts and fixed tariffs, balanced against evolving regulatory dynamics. As of the close of FY26, the country's total installed power generation capacity expanded to approximately 49,651 MW. The capacity addition during the period was largely driven by the continued adoption of distributed solar net-metering, which reached over 7,300 MW.

The sector's trajectory remains guided by the Alternative and Renewable Energy Policy 2019 and the Indicative Generation Capacity Expansion Plan (IGCEP), which emphasize competitive bidding and integration of renewables. Pakistan's geographic parameters provide a supportive environment for this expansion, given the established wind corridors in Sindh and Balochistan and average solar irradiance levels.

Regulatory risk remains a key consideration across Pakistan's power sector. The Economic Coordination Committee's approval in March 2026 to revise EPAs for select wind and solar power projects reflects the government's ongoing initiative to rationalize power purchase costs. Additionally, the regulatory framework has incorporated the transition of foreign debt servicing benchmarks from USD LIBOR to the Secured Overnight Financing Rate (SOFR), implemented through quarterly tariff indexations by NEPRA. While tariff renegotiation exercises underscore heightened regulatory scrutiny across the broader IPP landscape, projects operating under the 2018 competitive cost-plus regime with low levelized tariffs remain insulated from downward tariff revisions.

Capital expenditure requirements post-commissioning remain contained, as regular operations and maintenance (O&M) costs are embedded within the tariff structures. For projects with EPAs executed with CPPA-G, counterparty risk is mitigated by sovereign guarantee coverage, ensuring eventual settlement of dues despite broader circular debt challenges in the power sector. Delays in receivable collections represent the primary transmission mechanism of circular debt to the IPP level.

Technology and substitution risks are present, primarily stemming from the consumer-level deployment of distributed solar installations. Improvements in panel efficiency and rising grid electricity tariffs have catalyzed this shift, leading to a moderation in demand growth for grid-based supply. For established renewable IPPs, however, competition risk remains contained. The combination of long-term offtake agreements, must-run dispatch status, and high entry barriers insulates incumbent projects from immediate demand-side pressures. Given the must-run classification, fluctuations in overall grid demand are unlikely to alter the dispatch of electricity generated by these operational renewable facilities.

ENERGY PURCHASE AGREEMENT

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Long-term off-take and cash flow visibility are underpinned by a 25-year EPA executed with CPPA-G on November 11, 2019, alongside an Implementation Agreement (IA) signed with the Alternative Energy Development Board (AEDB) on November 12, 2019. Under the IA, payment obligations of CPPA-G are backed by a sovereign guarantee from the GoP, mitigating counterparty credit risk. Delayed payments beyond the contractual due date accrue mark-up at 3-Month KIBOR plus 2.00% per annum.

Initially awarded a reference levelized tariff of US cents 4.7190/kWh on November 19, 2018, NGEL subsequently received NEPRA's final COD true-up tariff determination on January 5, 2026, notified vide S.R.O. 242(I)/2026 dated February 4, 2026. The trued-up levelized tariff was determined at US cents 4.3879/kWh (equivalent to PKR 8.0387/kWh), based on an 80:20 debt-to-equity ratio, comprising approved project debt of USD 49.91 million and equity of USD 12.48 million, and an annual benchmark capacity factor of 38.51%. The tariff structure provides for a 14% Return on Equity (ROE) and Return on Equity During Construction (ROEDC), along with quarterly indexation mechanisms covering:

- Foreign O&M and Foreign Debt Servicing: Indexed to US CPI, USD/PKR exchange rate variations, and 3-Month Term SOFR plus a Credit Adjustment Spread (CAS) of 0.2616% (transitioned from 3-Month USD LIBOR on the foreign facility from the Islamic Corporation for the Development of the Private Sector [ICD]).
- Local O&M and Local Debt Servicing: Indexed to National CPI and an allowed financing rate of 5.25% per annum (reflecting the 4.75% per annum concessionary rate on the Meezan Bank Limited SBP facility plus a 0.50% savings share retained by the Company).
- Non-Project Missed Volume (NPMV): Compensates the Company for grid-induced load curtailment or transmission constraints at the prevailing single-part energy tariff, calculated with reference to the 38.51% benchmark capacity factor based on actual wind speed.

Unlike older thermal IPPs that bill separate Capacity Purchase Price (CPP) and Energy Purchase Price (EPP) components, NGEL operates under a single-part energy tariff (indexed at PKR 13.8857/kWh in 4QFY26 and PKR 13.9244/kWh in 1QFY27) applicable to both Net Delivered Energy (NDE) and NPMV. Ranking as the second most economical source of power on the national grid after nuclear generation, NGEL benefits from a favorable merit-order dispatch position, shielding it from regulatory tariff renegotiations and supporting regular invoice settlements due to its relatively small monthly billing size.

OPERATIONS & MAINTENANCE (O&M)

Operational risk is mitigated through long-term O&M agreements (13-year initial term) with established contractors, with no modifications to contractual terms during the review period. O&M responsibilities are bifurcated between Siemens Energy Pakistan (Private) Limited (representing the OEM, Siemens Gamesa) for Wind Turbine Generators (WTGs) and Orient Energy Systems (Private) Limited for Balance of Plant (BOP) infrastructure. The contracts stipulate a guaranteed plant availability of 97.00%, with any shortfall triggering liquidated damages (LDs) capped at the annual O&M contract value. Furthermore, the plant is covered by comprehensive insurance policies under which major equipment repair outlays are reimbursable.

During FY26, gross energy generation increased by 16.7%, supported by improved wind speeds averaging 6.63 m/s at NGEL plant. Net energy delivered (NDE) to the grid rose by 16.9%, while plant availability stood at 97.63% (FY25: 99.62%). Consequently, the actual capacity factor on net exported energy improved to 32.65% (FY25: 27.93%), while total plant efficiency including NPMV rose to 36.48% (FY25: 31.91%), trending closer to the NEPRA benchmark of 38.51%. Curtailed energy settled/paid as NPMV declined during the year, representing 10.5% of total available energy (FY25: 12.5%). While southern corridor transmission bottlenecks persist to maintain system stability, dispatch management by the Independent System and Market Operator (ISMO) has improved, with curtailment remaining minimal during 1QFY27.

PROFITABILITY

The Company's net revenue increased by 32.3% in FY26, driven by an expansion in net energy dispatches alongside the recognition of retrospective differential billing following notification of the COD true-up tariff. Excluding one-off true-up adjustments, core revenue grew by 13.6% YoY on the back of higher grid absorption.

Gross profit rose, translating into a higher gross margin of 57.16% (FY25: 47.63%) as fixed depreciation and O&M costs were absorbed over an expanded revenue base, offsetting higher site maintenance outlays. Operating margin similarly improved to 54.84% (FY25: 45.25%). Finance costs declined by 14.3% owing to scheduled principal repayments on local and foreign facilities alongside lower average SOFR rates. Other expenses increased, reflecting higher WPPF charges and a one-off write-off in delayed payment compensation invoices. Consequently, net profit increased, with net margin strengthening to 29.27% (FY25: 9.13%), while ROAA and ROAE improved to 5.60% (FY25: 1.29%) and 19.06% (FY25: 5.09%), respectively. Profitability is expected to remain sound, supported by post-COD indexed tariffs, improved dispatch levels, and ongoing debt reduction.

FINANCIAL RISK

CAPITAL STRUCTURE

The Company's capitalization profile continued to strengthen in FY26, with gearing and leverage improving to 1.84x and 2.10x (Jun'25: 2.51x and 2.77x; Jun'24: 2.86x and 3.12x), respectively, driven by complete profit retention and scheduled debt amortization. Total equity

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expanded, comprising unappropriated profits, paid-up capital, and advance against share issuance. No dividends were declared during the year.

Total debt declined at end-Jun'26, comprising the local SBP concessionary facility from Meezan Bank Limited (maturing in 2032) and the foreign commercial facility from ICD (maturing in June 2035), net of unamortized transaction costs. The Company had nil outstanding short-term borrowings at year-end, while current liabilities also included an interest-free sponsor loan. Capitalization metrics are projected to maintain a steady improving trajectory as scheduled repayments progress.

DEBT COVERAGE & LIQUIDITY

Debt coverage indicators strengthened in FY26 on the back of higher operating cash generation and lower financing charges. Funds from Operations (FFO) increased, resulting in FFO-to-total debt improving to 0.15x (FY25: 0.07x). Consequently, the Debt Service Coverage Ratio (DSCR) recovered to 1.21x (FY25: 0.86x).

The liquidity profile also improved, with the current ratio rising to 0.72x at end-FY26 (FY25: 0.48x). Liquid assets increased, comprising short-term mutual fund investments and cash and bank balances. Trade and other receivables rose. Trade and other payables increased, largely reflecting timing of O&M contractor settlements.

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REGULATORY DISCLOSURES — Appendix II

Name of Rated Entity	NASDA Green Energy Limited
Sector	Renewable 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				
24/Nov/2026	A	A2	Stable	Upgrade
06/Nov/2025	A-	A2	Stable	Reaffirmed
10/Oct/2024	A-	A2	Stable	Reaffirmed
08/Aug/2023	A-	A2	Stable	Reaffirmed
08/Feb/2022	A-	A2	Stable	Reaffirmed
04/Dec/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. Syed Ali Rizwan	AVP Projects	28 October 2026
Mr. Waqas Ahmed	General Manager	
Mr. Ahmed Raza	Deputy Manager Finance	

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