

BURJ CLEAN ENERGY MODARABA

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Analysts:

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RATING DETAILS

RATINGS CATEGORY	LATEST RATING		PREVIOUS RATING	
	Long-term	Short-term	Long-term	Short-term
STS		A1		A1 (plim)
RATING ACTION	Final		Preliminary	
RATING DATE	September 12, 2025		May 21, 2025	

APPLICABLE METHODOLOGY(IES):

VIS Entity Rating Criteria
Methodology – Industrial
Corporates

Rating Scale:

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

RATING RATIONALE

The assigned rating of 'A1' to the Short-Term Sukuk (STS) issue of Burj Clean Energy Modaraba ('BCEM' or the 'Company') is aligned with the Company's short-term entity rating of 'A1'. The rating draws support from BCEM's moderate to low business risk profile, incorporating its dual exposure to the Modaraba and renewable energy sectors. Increasing demand for clean energy provide long-term growth prospects. Ratings draw strength from the sponsor's financial backing and sector expertise, demonstrated through formal comfort letter, asset transfers supporting early revenue and dividend flows. Operational risk is moderated by experienced management and partnerships with reputable contractors. The financial risk profile reflects growing corporate revenues and rising leverage, offset by adequate coverage levels aligned with project cash flows. While capitalization metrics are high, the Company is evaluating equity adjustments and a mainboard listing to enhance capital access.

Rs. Million	9MFY25
Profit After Tax	58.15
Paid up Capital	1,000.00
Equity (excl. Revaluation Surplus)	1,058.15
Total Debt	435.30
Leverage (x)	0.50
Gearing (x)	0.41
Funds From Operations (FFO)	75.70
FFO/Total Debt (x)*	23.19%
*Annualized, if required	
A - Actual Accounts	

COMPANY PROFILE

Burj Clean Energy Modaraba ("BCEM or "the Modaraba"), is a modaraba managed by Burj Modaraba Management Company (Private) Limited (BMMCPL or the Modaraba Management Company). The Modaraba is listed on the Growth Enterprise Market Board (GEM Board) of the Pakistan Stock Exchange (PSX); listing took place in October 2024. The registered office is situated in Karachi, Pakistan.

The Modaraba's principal activity is developing and operating distributed renewable energy projects in Pakistan. This includes supplying energy services to commercial, industrial, utility, and residential clients through Power Purchase Agreements (PPA). Its activities also include leasing renewable energy equipment, investing in clean energy projects, and providing energy storage solutions. Additionally, BCEM engages in trading alternative energy products, conducting research and development for sustainable technologies, and offering consultancy services on energy efficiency. The Modaraba also aims to facilitate the trading of carbon credits and international renewable energy certificates (I-REC).

Short-term Sukuk (STS) Structure:

BCEM has raised an unsecured, privately placed STS, up to PKR 700 million inclusive of green shoe option of PKR 200 million. The proceeds from the issue will be utilized for the purposes of Modaraba's normal business as permitted under its constitutive documents. The STS employs a Musharakah structure, relying on Shirkat-ul-Aqd. The structure is as follows:

- The tenor of the instrument is six (06) months from the date of drawdown.
- The proposed profit rate is based on 6 months KIBOR plus 175 basis points.
- Profit is payable at the time of the maturity of the Sukuk along with the principal payment.
- The Issuer has also established a Sukuk Payment Account (SPA). The Issuer shall ensure that the principal repayment amount is deposited into the SPA no later than ten (10) calendar days prior to the scheduled repayment date.

REGULATORY DISCLOSURES					Appendix II
Name of Rated STS	Burj Clean Energy Modaraba				
Sector	Modaraba				
Type of Relationship	Solicited				
Purpose of Rating	Sukuk Ratings				
Rating History	Rating Date	Medium to Long Term	Short Term	Rating Outlook/Rating Watch	Rating Action
	RATING TYPE: STS				
	12/09/2025	A1			Final
	21/05/2025	A1 (plim)			Preliminary
Instrument Structure	Instrument			Details	
	Nature of Instrument			Short-term Sukuk (STS)	
	Tenure of Instrument			6 months	
	Size of the Issue			700,000,000	
	Principle Redemption Schedule			Bullet	
	Interest Redemption Schedule			Bullet	
	Issue Date			10th July 2025	
	Grace Period			-	
	Redemption Date			9th Jan 2025	
	Nature of Secutiry (in case of secured instrument)			Unsecured	
	Name of Trustee			Pak Oman Investment Company	
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	N/A				