VIS
Credit Rating Company Limited

RATING REPORT

BURJ CLEAN ENERGY MODARABA

Analyst:
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RATING DETAILS

RATINGS CATEGORY	Latest Rating	Initial Rating
	Short-term	Short-term
STS – 3 RATING	A1	A1(plim)
RATING ACTION	Final	Preliminary
RATING DATE	October 22, 2026	July 31, 2026

Shareholding (5% or More)	Other Information
Burj Energy International Management Limited – 67.49%	Incorporated in 2024
Burj Investment Management Limited (formerly known as Burj Modaraba Management Company (Private) Limited – 11.62%	Public Listed Modaraba
	Chairperson: Mr. Muneer Kamal
	CEO: Mr. Nadeem Lodhi
	External Auditor: BDO Ebrahim & Co Chartered Accountants
	Shariah Advisor: Alhamd Shariah Advisory Services (Private) Limited

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Non-Bank Financial Companies

https://docs.vis.com.pk/Methodologies-2025/NBFC-Nov-2025.pdf

Instrument Ratings

https://docs.vis.com.pk/Methodologies-2026/IRM-2026.pdf

Rating Scale

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

Rating Rationale

Assigned rating reflects Burj Clean Energy Modaraba's ('BCEM' or the 'Modaraba') emerging position in the distributed renewable energy sector, supported by a strong sponsor profile, improving earnings visibility, and a structured governance framework. The Modaraba benefits from strategic sponsorship by an experienced renewable energy investor with demonstrated financial capacity and prior asset transfers that provide early revenue streams and dividend income. Institutional equity participation further enhances funding access and strengthens the credit profile. Business risk is moderated by exposure to established corporate clients under long-term offtake, lease or rental agreements. The ongoing expansion into SME and retail segments is expected to gradually diversify revenue, though these remain at an early stage, making a focused underwriting approach key. Operational risk is managed through an experienced management team and partnerships with reputable EPC and O&M contractors. Profitability is supported by recurring, tariff-linked income, while asset quality remains sound. Liquidity has moderated amid growth and short-term borrowings but continues to be supported by available lines and sponsor support. Capitalization and leverage are in line with project-related funding requirements, with potential equity adjustments and a prospective mainboard listing expected to further enhance capital access.

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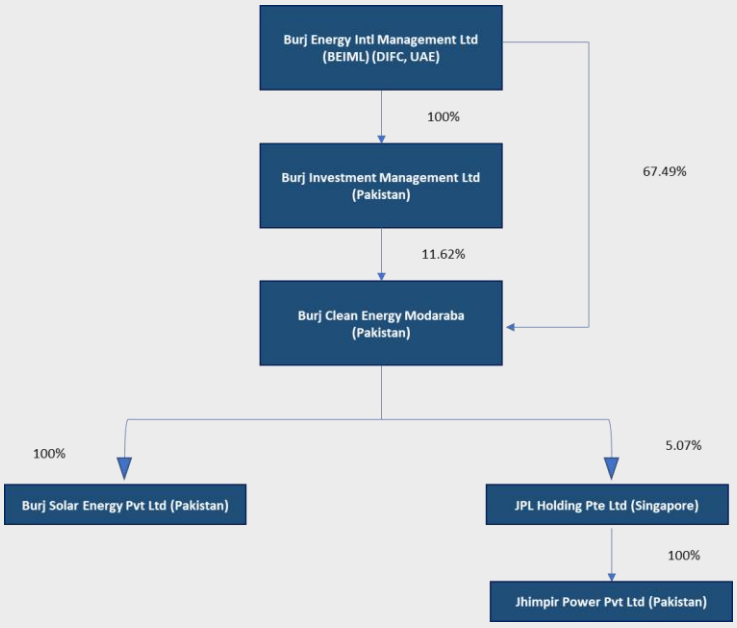
Company Profile

Burj Clean Energy Modaraba ('BCEM' or the 'Modaraba'), is a modaraba managed by Burj Investment Management Limited, an unlisted public limited Modaraba Management Company, formerly named as Burj Modaraba Management Company (Private) Limited. 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 located in Karachi, Pakistan. The Modaraba's principal activity is the development and operation of distributed renewable energy projects across the country. It delivers end-to-end clean energy solutions across the full value chain; spanning solar, wind, energy storage, and electric mobility, serving commercial, industrial, utility, and residential clients through long-term offtake, lease, and rental agreements. Operating on a Build-Own-Operate-Transfer (BOOT) leasing and financing model, the company provides tariff-based energy solutions that minimize upfront capital requirements. Its operations are structured across three integrated verticals: C&I, Advisory, and Retail, enabling project development, financing, and deployment under a single platform.

Sponsor Profile

Burj Energy International Management Limited ('BEIML' or the 'Sponsor'), a Dubai-based entity, is the principal sponsor of Burj Clean Energy Modaraba. BEIML specializes in the development, financing, investment, and management of renewable energy projects selectively in Pakistan, Sri Lanka, Bangladesh, Germany, Italy, and Malaysia. Moreover, new markets such as Turkey & Sweden are being explored. The sponsor's expertise spans wind, solar, and energy storage solutions, with a focus on sustainable development and innovative energy technologies. As part of the support extended to the Modaraba, the sponsor transferred its 5.07% stake in JPL Holding PTE Limited—an entity that ultimately owns Jhimpir Power (Pvt.) Limited—to BCEM. Additionally, 100% ownership of Burj Solar Energy (Pvt.) Limited was also transferred to BCEM by the sponsor.

- Jhimpir Power (Private) Limited (JPL): It is a project company, which owns 50 MW wind power project in Sindh.
- Burj Solar Energy (Private) Limited (BSEPL): It is an SPV, which currently owns 7 MW solar project.



Furthermore, the participation of institutional investors such as Meezan Bank Limited and Habib Bank Limited, each rated 'AAA' and holding a 4.9% stake, strengthens the Modaraba's sponsor profile and enhances its access to capital.

Management and Governance

BOARD OF DIRECTORS

The Board of Burj Investment Management Limited (Management Company of BCEM) consists of eight directors, including one female member, with separate individuals serving as Chairman and Chief Executive Officer. During CY25, four Board meetings were held with satisfactory attendance, and all directors confirmed compliance with limits on concurrent directorships in listed companies. The Board brings

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together experienced professionals from diverse fields, offering extensive expertise in finance, renewable energy, corporate governance, and project execution, thereby strengthening the Modaraba's strategic oversight and governance framework.

1. **Muneer Kamal – Chairman (Independent Director):** With over 40 years of experience, Muneer Kamal has held leadership positions in prominent organizations, including CitiBank, Faysal Bank, KASB Bank, and Union Bank. Mr. Kamal is currently the Secretary General of the Pakistan Bankers Association.
2. **Razi Ur Rehman Khan– Independent Director:** Razi possesses over 40 years of experience. Razi, who founded FGM (First Grindlays Mudarabah in mid-1980's) has previously worked with Welcome Boroughs Pakistan, ANZPakistan, ANZ in Pakistan and London, Hub Power (CFO), JP Morgan Chase (CEO Pakistan) , Chairman SECP, and Chairman NIT.
3. **Rabiya Javeri – Independent Director:** Rabiya is a retired Federal Secretary who served with distinction in several posts in Sind as well as GOP. She has served as the President of the Pakistan Administration Service Association.
4. **Hasan Reza Ur Rahim – Independent Director:** Brings over four decades of experience in corporate and financial markets. Reza, a career banker, worked with ANZ Grindlays in both Pakistan and Europe & JP Morgan. He currently serves as a Board Member on several listed entities, including Mirpurkhas Sugar Mills Ltd and Atlas Insurance Ltd.
5. **Farrukh Zaman – Non-Executive Director:** A seasoned professional with experience in finance and corporate markets. He has served at prominent institutions such as the International Bank of Qatar, Mashreq Bank, and Bank of America.
6. **Saad Uz Zaman – Executive Director:** Saad, with 30 plus years of leadership experience in Citibank (including Investment Bank Head of Middle East & Pakistan), Founder and CEO Dubai Islamic Bank (DIB) Pakistan, first CEO of DIB Investment Bank (DIB Capital / Millennium Capital), and DP World Group, brings in-depth knowledge of financial and operational management to BCEM.
7. **Saleem Uz Zaman – Non-Executive Director:** Saleem specializes in corporate affairs and the power sector, offering over 25 years of legal and advisory expertise.
8. **Nadeem Lodhi – Chief Executive Officer:** He is a seasoned leader driving banking and fintech transformation across Pakistan, Middle East, and Africa, with a focus on innovation and financial inclusion. Previously associated with Citi Bank.

Key governance committees, Audit Committee (AC), HR, Remuneration & ESG Committee (HRRESGC), and Risk & Investment Committee (RIC), are in place to ensure effective oversight. The AC and HRRESGC are chaired by independent directors. During FY25, the AC met twice, short of the quarterly requirement, the RIC convened once to review risk identification, credit portfolio, and Shariah compliance, and the HRRESGC met as required to oversee Board nominations, training, remuneration, and ESG matters.

SENIOR MANAGEMENT

BCEM's senior management team comprises skilled professionals with a track record of excellence in renewable energy, finance, and engineering.

1. **Nadeem Lodhi – CEO**
2. **Talha Ameer – MD Investments** A CFA and MBA graduate, Talha brings over 12 years of experience in corporate finance, having worked with Meezan Bank, HBL, and MCB.
3. **Muhammad Azam Farooq – CFO:** An accomplished financial professional with over 16 years of expertise in financial reporting, operations, budget management, financial planning, due diligence, strategic planning, and liquidity and treasury management. Azam holds multiple professional designations, including CPA, FMVA, CICA, and APFA, and has completed his Chartered Accountancy training from the Institute of Chartered Accountants of Pakistan (ICAP).
4. **Razaim Hassan – Senior Finance Manager:** A Certified Chartered Accountant (ACCA Member) and Public Finance Accountant (PIPFA Member) with over 10+ Years of experience across Finance and Audit & Assurance, including Deloitte (UAE and Pakistan) and KPMG Lower Gulf (UAE and KSA).
5. **Abdul Wahab Ali – Technical Head:** Abdul Wahab holds a BE and ME and has over nine years of experience in renewable energy. He has been associated with ACT, REON, G Solar, and Pak Oasis.
6. **Azlan Bukhari – Advisory Head:** Experience Banking and International Fund Management with a focus on infrastructure and renewables, overseeing group investments.
7. **Danial Kashif – Assistant Vice President:** Experienced across renewable energy transactions, cross-border M&A, fundraising, and strategic investments across the UK and Pakistan. Passed CFA Level I and FRM Part I.

SHARIA COMPLIANCE

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Alhamd Shariah Advisors Services (Pvt.) Limited serve as the principal Shariah advisors to the Modaraba, with Independent Assurance provided by Crowe Hussain Chaudhry & Co. Chartered Accountants. According to management, the advisors are actively involved in the planning and decision-making processes of BCEM. The Modaraba does not have an internal Shariah Committee.

The Shariah review confirms that the affairs of BCEM have been conducted in accordance with the principles of Shariah, requirements of the prospectus and Islamic Financial Accounting Standards as applicable in Pakistan and Shariah Governance of Modarabas.

AUDIT OPINION

BDO Ebrahim & Co Chartered Accountants, categorized as 'Category A' on the SBP's Panel of Auditors and with satisfactory QCR rating from ICAP, has provided an unmodified opinion and unqualified report for FY26. Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants were the previous auditors of BCEM.

STRUCTURE OF SHORT-TERM SUKUK (STS) - 3

BCEM has issued a privately-placed short-term Sukuk, amounting to PKR 1,500mn. The proceeds from the issue are to be utilized for the Modaraba's normal business activities. The instrument has a tenor of six (06) months and carries a profit rate of 6-month KIBOR plus 125bps, with both profit and principal payable through a single bullet payment at maturity. The issuance date of STS-3 is October 9th, 2026. The Issuer has designated a Sukuk Payment Account (SPA), which is to be funded with principal repayment and profit amount, no later than seven (7) calendar days prior to the scheduled repayment date of April 15th, 2027. Investment Agent for the Sukuk is Pak Oman Investment Company Limited.

Business Risk

INDUSTRY UPDATE

Pakistan's renewable energy industry has gained notable traction amid rising electricity tariffs, persistent grid reliability issues, and a policy shift toward diversifying the energy mix. Distributed solar has led recent growth due to favorable payback economics for commercial and industrial (C&I) consumers who are increasingly shifting toward captive and behind-the-meter solar solutions to hedge against energy cost volatility and improve reliability. This structural demand shift has expanded the addressable market for EPC contractors and energy service providers offering turnkey installations, leasing models, and long-term Power Purchase Agreements (PPAs). The rapid uptake of net-metered and off-grid systems indicates a gradual transition from centralized generation toward decentralized energy solutions.

Looking ahead, the outlook for renewables remains positive, supported by long-term decarbonization targets, private sector participation, and declining technology costs across solar panels, wind turbines, and battery storage systems. However, the industry faces key risks, including regulatory uncertainty (particularly around tariff structures), foreign exchange exposure due to imported equipment, and constraints in long-tenor project financing. Consequently, renewable energy players across solar, wind, and hydel segments are well positioned to benefit from sustained demand for cost-efficient and resilient power solutions, provided policy consistency and financing access remain supportive.

OPERATIONAL UPDATE

The Modaraba's business model is primarily anchored in its Corporate (Commercial & Industrial – C&I) segment, which focuses on delivering large-scale renewable energy solutions, comprising solar, wind, and hybrid installations, to industrial and commercial clients. This segment is already operational with the installation of a 7MW solar project for Power Cement Limited. The Modaraba further strengthened its corporate portfolio by adding 7.5MW wind captive power plant for Power Cement Limited structured under a long-term lease agreement. The project offers competitive pricing allowing for substantial cost savings to clients while ensuring stable, tariff-linked returns and predictable cash flows for the Modaraba. Growing market interest is evident in a strong corporate project pipeline for FY26 & FY27.

Alongside its corporate operations, the Modaraba is developing a Retail segment aimed at expanding access to clean energy and mobility solutions for households and small businesses. Initial pilots in home solar have been booked, with modest revenue generation expected in FY26, while strategic partnerships have been established with multiple solar installers and clean mobility manufacturers to support execution. The segment is designed to broaden the customer base and complement the corporate business by tapping into decentralized energy demand, thereby enhancing revenue diversification over time.

Operationally, the Modaraba maintains a conservative risk profile through strict maintenance protocols, collaboration with experienced equipment providers, EPC contractors and Operations & Maintenance (O&M) operators, and a focused geographic footprint in the retail segment, primarily within Karachi, to ensure closer monitoring and effective customer oversight.

PROFITABILITY

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In its first year of operations (FY25), BCEM reported total consolidated income of PKR 185.4mn against operating expenses of PKR 119.2mn, resulting in an operating profit of PKR 66.1mn. This translated into a profit after tax of PKR 59.4mn and a net margin of 32.0%, which includes a non-recurring other income contribution of PKR 29.3mn. In FY26, BCEM continued to generate stable revenue stream along with contribution from profit on investments. Margins however showed some moderation with increase in costs.

Financial Risk

ASSET QUALITY

The asset quality profile is presently supported by its exposure to established corporate clients. These projects are underpinned by strong business fundamentals, particularly the structural tariff advantage of renewable energy relative to grid power, which mitigates counterparty credit risk. Additional comfort is derived from corporate guarantees obtained from the principal client, strengthening recovery prospects and overall receivables quality. As the portfolio gradually expands toward the retail segment, maintaining prudent underwriting standards and effective monitoring mechanisms will remain critical to preserving asset quality.

LIQUIDITY

BCEM's liquidity position remains comfortable with a consolidated current ratio of 2.18x at end-Dec'25 (FY25: 2.24x), providing adequate coverage over short-term obligations. Additionally, access to fresh working capital lines and sponsor support further strengthens the Company's liquidity profile.

CAPITALIZATION

The capitalization profile of BCEM reflects a moderately leveraged structure, commensurate with the capital-intensive nature of renewable energy projects and the reliance on long-term contracted cash flows. The equity base is expected to remain relatively stable, with profitability largely directed toward shareholder payouts while supporting ongoing project expansion. Although leverage is projected to increase alongside the scaling of the corporate renewable portfolio, adequate debt coverage metrics are anticipated, supported by predictable, tariff-linked inflows under long-term lease agreements. Management is also evaluating potential equity injections and a prospective mainboard listing to broaden capital access, which, if materialized, would provide additional balance sheet flexibility.

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CONSOLIDATED FINANCIAL SUMMARY		(PKR Mn)
BALANCE SHEET	**FY25A**	**FY26A**
Long-Term Investments	572.2	572.2
Property, Plant & Equipment	679.8	2,401.1
Loans, advances, deposits, prepayments & other receivables	108.4	144.8
Cash and bank balances	56.6	95.0
Total Current Assets	314.6	1,387.5
Total Assets	1,618.3	4,418.5
Trade & other payables	18.6	47.9
Short-term borrowing	-	1,015.9
Total Current Liabilities	140.5	1,240.1
Long-term financing – secured (incl. current portion)	412.2	2,040.8
Lease liabilities (incl. current portion)	9.5	38.2
Total liabilities	538.9	3,271.8
Certificate Capital	1,000.0	1,000.0
Unappropriated Profits	59.4	111.6
Total Equity	1,079.4	1,146.6
INCOME STATEMENT		
Operating Income	144.5	360.2
Operating Expenses (operating + admin)	74.0	113.3
Other Income	70.1	58.3
Other Expenses	7.4	21.7
ECL Provisioning	-	0.8
Financial Charges	45.3	115.3
Profit/ (Loss) Before levies & taxation	88.1	169.8
Profit/ (Loss) After Tax	59.4	93.5
RATIO ANALYSIS		
Current Ratio (x)	2.24x	1.12x
Efficiency (%)	51.2%	31.5%
ROAA (%) *	3.7%	3.1%
ROAE (%) *	5.5%	8.4%
A – Audited Accounts		
M – Management Accounts		

**Annualized*

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REGULATORY DISCLOSURES — Appendix II

Name of Rated Entity	Burj Clean Energy Modaraba
Sector	Modaraba
Type of Relationship	Solicited
Purpose of Rating	Entity Ratings

Rating History

Rating Date	Medium to Long Term	Short Term	Outlook/ Rating Watch	Rating Action
RATING TYPE: ENTITY				
02/Apr/2026	A	A1	Stable	Reaffirmed
28/Apr/2025	A	A1	Stable	Initial
Rating Type: STS - 3				
22/Oct/2026		A1		Final
31/Jul/2026		A1(plim)		Initial

Instrument Structure

Instrument Name	**Short Term Sukuk –3**
Nature of Instrument	STS
Tenure of Instrument	6 months
Size of the Issue	PKR 1,500mn
Principle Redemption Schedule	Bullet
Interest Redemption Schedule	Bullet
Issue Date	October 9th, 2026
Grace Period	No
Redemption Date	April 15th, 2027
Nature of Security	Unsecured
Sukuk Payment Account (SPA)	The Issuer shall ensure that the principal repayment and profit amount is deposited into the SPA no later than seven (7) calendar days prior to the scheduled repayment date.
Rating	A1
Name of Trustee	Pak Oman Investment Company Limited

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. Nadeem Lodhi	CEO	July 21st, 2026
Muhammad Azam Farooq	CFO	
Mr. Talha Ameer Khan	MD Investments	
Mr. Razaim Hassan	Senior Manager -Reporting & Finance	
Mr. Danial Kashif	AVP	
Mr. Azlan Bukhari	Advisory Head	

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