



Managed by:
Burj Modaraba Management
Company (Private) Limited

FINANCIAL STATEMENTS

for the period ended December 31,

2024
(Un-Audited)

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CORPORATE INFORMATION

MODARABA MANAGEMENT COMPANY

BURJ MODARABA MANAGEMENT COMPANY (PRIVATE) LIMITED

BOARD OF DIRECTORS

DIRECTORS OF MODARABA MANAGEMENT COMPANY

Mr. Muneer Kamal	Chairman
Mr. Razi-Ur-Rehman Khan	Independent Director
Mr. Hasan Reza ur Rahim	Independent Director
Mr. Farrukh Zaman	Non-Executive Director
Ms. Rabiya Javeri Agha	Independent Director
Mr. Saad' Uz Zaman	Executive Director
Mr. Saleem Uz Zaman	Executive Director
Mr. Nabeel Anjum Malik	Chief Executive

AUDIT COMMITTEE

Mr. Razi-Ur-Rehman Khan	Chairman
Mr. Hasan Reza ur Rahim	Member
Mr. Farrukh Zaman	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Ms. Rabiya Javeri Agha	Chairman
Mr. Muneer Kamal	Member
Mr. Nabeel Anjum Malik	Member

RISK AND CREDIT COMMITTEE

Mr. Saad Uz Zaman	Chairman
Mr. Hasan Reza ur Rahim	Member
Mr. Farrukh Zaman	Member
Mr. Razi-Ur-Rehman Khan	Member
Mr. Nabeel Anjum Malik	Member

DEPUTY CHIEF EXECUTIVE

Mr. Talha Ameer Khan

CHIEF FINANCIAL OFFICER

Mr. Muhammad Azam Farooq

COMPANY SECRETARY

Mr. Ali Akbar Abdullah

SHARIAH ADVISOR

Alhamd Shariah Advisory Services (Pvt.) Ltd.

LEGAL ADVISOR

Ali Raza Shah & Associates

MODARABA AUDITORS

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

SHARES REGISTRAR

CDC-Share Registrar Services Limited
CDC House, 99-B, Block-B, SMCHS
Main Shahrah-e-Faisal, Karachi

BANKERS

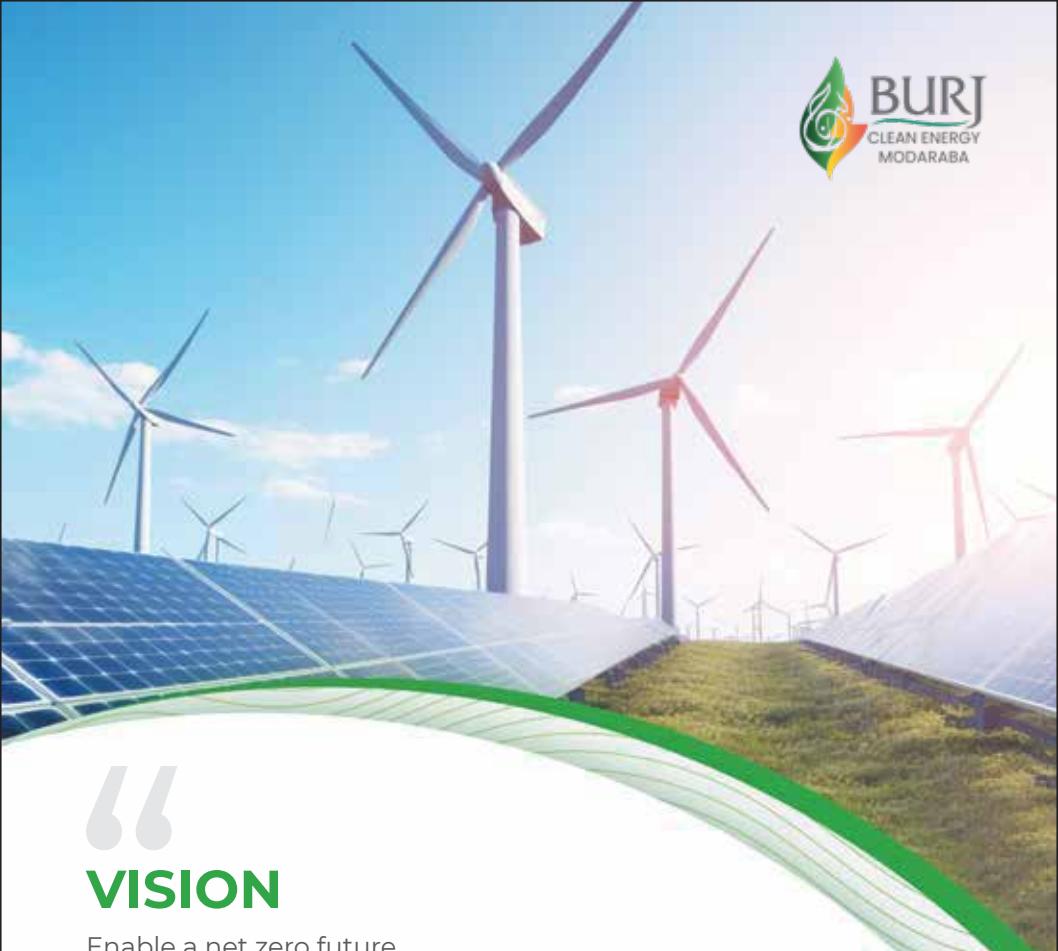
Meezan Bank Limited
Bank Islami Pakistan Limited

REGISTERED OFFICE

Office No. 202.11-C,
Al-Murtaza Commercial Lane- 2,
Phase - VIII, D.H.A, Karachi, Pakistan.
Tel: +92 21 35246400

EMAIL & WEBSITE

E-mail: enquiry@burjmodaraba.com
URL: <https://burjmodaraba.com/>



VISION

Enable a net zero future
across the energy value chain.



MISSION

To be a trusted platform for investors and facilitating sustainable investments that create value for all stakeholders while accelerating the transition to clean energy through innovative solutions for corporations, communities, and individuals.

DIRECTORS' REPORT

for the Half Year Ended December 31, 2024

Burj Clean Energy Modaraba

To the Certificate Holders,

Burj Management Modaraba Company (Pvt.) Limited, the management company of Burj Clean Energy Modaraba is pleased to present the Directors' Report on unaudited condensed interim financial statements of Burj Clean Energy Modaraba ("the Modaraba or BCEM") and consolidated financial statements with its wholly owned subsidiary for the half year ended December 31, 2024.

1. Brief Information

In October 2024, the Modaraba was listed on the Growth Enterprise Market (GEM) Board of the Pakistan Stock Exchange (PSX), marking a pivotal moment as Pakistan's first Shariah-compliant green energy fund with the paid-up capital of PKR 1 billion. This listing underscores Modaraba's commitment to advancing sustainable energy solutions and offering Shariah-compliant investment opportunities. The initial offering comprised 10 million certificates at a fixed price of Rs. 10 per certificate, successfully raising Rs. 100 million.

The Modaraba's mission is to lead in sustainable energy finance by providing Shariah-compliant financial solutions for renewable energy projects. The Modaraba focuses on investments in solar, wind, energy storage, and energy efficiency solutions, aiming to reduce Pakistan's reliance on conventional fuel sources and alleviate the financial burden of high electricity costs on consumers. BCEM is supported by esteemed partners and investors, including Meezan Bank Limited, Habib Bank Limited, and Arif Habib Corporation Limited, all committed to promoting the use of renewable energy in Pakistan.

2. Financial Performance

BCEM commenced its operations in December 2024. During the period ended December 31, 2024, the Modaraba achieved a net profit before tax of PKR 3.20 million and PKR 2.3 million after tax. This performance was driven by revenue from bank profit of PKR 4.99 million and administration expenses and management fee of PKR 1.79 million.

On a consolidated basis, the Modaraba achieved a net profit after tax of PKR 37.98 million driving earnings of Rs. 0.38 per share. The subsidiary net profit after tax was PKR 23.54 million driving earnings per share of Rs. 1.24.

3. Operational Highlights

During the half-year ended December 31, 2024, BCEM remained committed to its core objective of promoting clean and renewable energy solutions. Key operational achievements during the period include:

Strategic Acquisitions:

- Burj Solar Energy (Pvt.) Limited (BSEL): BCEM successfully acquired a 100% stake in BSEL, which manages a 7 MW solar power plant on a rental basis. BSEL has a paid-up capital of PKR 190.38 million, divided into 19.04 million shares of PKR 10 each, with a shareholders' equity of PKR 230.99 million as of June 30, 2024.
- JPL Holding Pte. Limited (JPLH): BCEM acquired a 5.07% stake in JPLH, a company incorporated in Singapore. JPLH holds 100% ownership of Jhimpir Power (Pvt.) Limited (JPL), a Pakistan-based company engaged in electricity generation and supply under a long-term Energy Purchase Agreement with the Central Power Purchasing Agency (Guarantee) Limited. JPL operates a 49.735 MW wind energy project on a build, operate, and own (BOO) basis in Jhimpir, Sindh.

These acquisitions were completed through the issuance of BCEM's certificates, based on a swap ratio determined by EY Ford Rhodes, Chartered Accountants.

New Project Development:

BCEM continued to expand its renewable energy portfolio through strategic collaborations. In May 2024, Burj Solar, a subsidiary of BCEM, partnered with Power Cement Limited to develop and finance a 6.5 MW distributed wind power project. This project has now been officially recorded in the books of the Modaraba, further strengthening BCEM's commitment to sustainable energy solutions.

4. Future Outlook

Looking ahead, the Modaraba is well-positioned to capitalize on the growing demand for clean energy solutions. Key focus areas for the upcoming period include:

Capacity Expansion: Further development of renewable energy projects to enhance the Modaraba's portfolio.

- **Technological Advancements:** Adoption of innovative technologies to improve efficiency and reduce costs.
- **Stakeholder Engagement:** Strengthening relationships with stakeholders to ensure sustainable growth.

The Board of Directors remains confident in the Modaraba's ability to deliver long-term value to its certificate holders and contribute to Pakistan's clean energy transition.

5. Change of Chief Executive

Mr. Nabeel Anjum Malik is appointed as Chief Executive of Burj Modaraba Management Company (Pvt.) Limited in place of Mr. Aamer Nasim Chishti. The Board extends a warm welcome to Mr. Malik and express its sincere appreciation to Mr. Chishti for his valuable contributions and dedicated service to the Modaraba.

6. Acknowledgments

The Board wishes to place on record its sincere appreciation to the Registrar Modaraba, Securities & Exchange Commission of Pakistan and Pakistan Stock Exchange, Partners, Consultants and Underwriter for their cooperations, support and guidance during the floatation of the Modaraba.

The Board of Directors would also like to express its gratitude to the certificate holders, who have shown their confidence in the Burj Group and have participated in the initial public offering, management team, and employees for their continued support and dedication.

On behalf of the Board of Directors,



Chairman of the meeting

Burj Modaraba Management Company (Pvt.) Limited
(Management Company of Burj Clean Energy Modaraba)

Chief Executive Officer

Burj Modaraba Management Company (Pvt.) Limited
(Management Company of Burj Clean Energy Modaraba)

Date: February 26, 2025

Location: Karachi

ڈائریکٹر کا جائزہ

برائے ششماہی مدت اختتامی سال 31 دسمبر 2024

برج کلین ائر جی مصادر بہ

حکم سرٹیکٹ ہولڈر،

برج مینجمنٹ مصادر بہ کمپنی (پرائیویٹ) لمبند، جو کہ برج کلین ائر جی مصادر بہ کی انتظامی کمپنی ہے 31 دسمبر 2024 کو اختتام پذیر ہونے والی ششماہی مدت کیلئے برج کلین ائر جی مصادر بہ ("مصطفار" یا "بی ای ایم" یا "BCEM") کے غیر آٹھ شدہ عبوری مالیاتی گوشوارے اور بیشوں اس کی کمل ملکیتی ذیلی کمپنی کے مجموعی مالیاتی گوشوارے پیش کرتے ہوئے پڑھتے ہیں۔

1. مختصر معلومات:

اکتوبر 2024 میں، مصادر بہ پاکستان اسٹاک ایچیپن (PSX) کے گرو تھہ انٹرپرائز مارکیٹ (GEM) بورڈ پر درج ہوا، جو پاکستان کا پہلا شریعت کے مطابق گرین ائر جی فنڈ بننے کا اہم سٹگ میل ہے۔ مصادر بہ کا ادا شدہ سرمایہ 1 ملین روپے ہے، اور اس کا اندران پائیدار توatalی کے عل کو فروغ دینے اور شریعت کے مطابق سرمایہ کاری کے موقع فراہم کرنے کے عزم کی عکاسی کرتا ہے۔ ابتدائی پیشکش میں 10 ملین سرٹیکٹس شامل تھے، جنہیں مقررہ قیمت 10 روپے فی سرٹیکٹ پر پیش کیا گیا، جس کے ذریعے کامیابی سے 100 ملین روپے اکٹھے کیے گئے۔

مصادر بہ کا مشن پائیدار توatalی کی مالی اعانت میں قیادت کرنا ہے، جو قابل تجدید توatalی کے منصوبوں کے لیے شریعت کے مطابق مالیاتی عل فراہم کرتا ہے۔ مصادر بہ کی بنیادی توجہ شمسی، ہوائی، توatalی کے ذخیرے اور توatalی کی بچت کے حل میں سرمایہ کاری پر ہے، جس کا مقصد پاکستان کے روایتی ایندھن پر اچھار کو کم کرنا اور صارفین پر زیادہ بجلی کے اخراجات کے مالی بوجھ کو کم کرنا ہے۔ بی ای ایم کو معروف شرآکت داروں اور سرمایہ کاروں کی حمیلت حاصل ہے، جن میں میزان بینک لمبند، حسیب بینک لمبند، اور عارف حسیب کارپوریشن لمبند شامل ہیں، جو پاکستان میں قابل تجدید توatalی کے فروغ کے لیے پڑھتے ہیں۔

2. مالی کارکردگی:

بی ای ایم نے ایک 3.20 ملین روپے اور بعداز ٹکس 2.3 ملین روپے کا خالص منافع حاصل کیا۔ اس کارکردگی کی بنیادی وجہ بینک منافع سے حاصل ہونے والی 4.99 ملین روپے کی آمدنی تھی، جبکہ انتظامی اخراجات اور مینجمنٹ فیس 1.79 ملین روپے رہی۔

مشترکہ بنیادوں پر، مصادر بہ نے 37.98 ملین روپے کا بعداز ٹکس خالص منافع حاصل کیا، جس کے نتیجے میں فی حصہ آمدنی 0.38 روپے رہی۔ ذیلی کمپنی کا بعداز ٹکس خالص منافع 23.54 ملین روپے رہا، جس کے نتیجے میں فی حصہ آمدنی 1.24 روپے رہی۔

3. عملی جملکیاں:

31 دسمبر 2024 کو ختم ہونے شہادی کے دوران، بی سی ای ایم نے شفاف اور قابل تجدید توافقی کے فروغ کے اپنے بنیادی مقصد سے دائمی برقرار رکھی۔ اس مدت کے دوران ایم عملی کامیابیاں درج ذیل ہیں:

حکمت عملی کے تحت حصول:

- برج سور ارجنچی (پارائیسٹ) لمبیڈ (بی ایس ای ایم) بی سی ای ایم نے بی ایس ای ایل میں کامیابی کے ساتھ 100 فیصد حص حاصل کر لیے، جو کہ کارئے کی بنیاد پر 7 میگاوات کے سول پاور پلانٹ کا انتظام کرتا ہے۔ بی ایس ای ایل کا ادا شدہ سرمایہ 190.38 میلین روپے ہے، جو کہ 10 روپے ماہیت کے 19.04 میلین حصہ پر مشتمل ہے، جبکہ 30 جون 2024 تک اس کی مجموعی حصہ یافتگان کی ایکوئی 230.99 میلین روپے تھی۔
- بے پی ایل ہولڈنگ پی ٹی ای. لمبیڈ (بے پی ایل ایچ) بی سی ای ایم نے بے پی ایل ایچ میں 5.07 فیصد حص حاصل کیے، جو کہ سنگاپور میں رجسٹرڈ کمپنی ہے۔ بے پی ایل ایچ، جھپپر پاور (پارائیسٹ) لمبیڈ (بے پی ایل) کی 100 فیصد ملکیت رکھتی ہے، جو کہ پاکستان میں بھل کی پیداوار اور سپلائی کے شعبے میں سرگرم ہے۔ یہ کمپنی سینسل پاور پر چیز لگ ایجنسی (کارئی) لمبیڈ کے ساتھ طویل مدتی ارجنچی پر چیز ایگزیکٹو کے تحت کام کر رہی ہے۔ بے پی ایل جھپپر، سنده میں 49.735 میگاوات کا ونڈ ارجنچی مخصوصہ تعمیر، چلانے اور ملکیت رکھنے (BOO) کی بنیاد پر چلا رہی ہے۔

یہ حصول بی سی ای ایم کے سرٹیکیٹس کے اجرا کے ذریعے مکمل کیے گے، جو ای وائی فورڈ رہوڈز (Ford Rhodes) ، چارڈڑا اکاؤنٹننس کے طے کردہ تبادلہ تابع کی بنیاد پر کیے گے۔

منصوبوں کی ترقی:

بی سی ای ایم نے حکمت عملی کے تحت شرکت داری کے ذریعے اپنے قابل تجدید توافقی کے پورٹ فولیو کو وسعت دینا جاری رکھا۔ مئی 2024 میں، بی سی ای ایم کی ذیلی کمپنی برج سور نے پاور سینٹ لمبیڈ کے ساتھ مل کر 6.5 میگاوات کے تقسیم شدہ ونڈ پاور منصوبے کی ترقی اور مالی معاوضت کے لیے شرکت داری کی۔ یہ منصوبہ اب باضابطہ طور پر مضاربہ کی کتابوں میں درج کر دیا گیا ہے، جو پاسیدار توافقی کے حل کے لیے بی سی ای ایم کے عزم کو مزید مسلکم کرتا ہے۔

4. مستقبل کا جائزہ:

آگے بڑھتے ہوئے، مضاربہ صاف توافقی کے بڑھتے ہوئے مطالبے سے فائدہ اٹھانے کے لیے بہترین پوزیشن میں ہے۔ آئندہ مدت کے لیے ایم توجہ کے شعبے درج ذیل ہیں:

- صلاحیت میں توسعہ: مضاربہ کے پورٹ فویو کو وسعت دینے کے لیے مزید قابل تجدید توانائی کے منصوبوں کی ترقی۔
- تکنیکی جدت: کارکردگی کو بہتر بنانے اور لائلت میں کمی کے لیے جدید تکنیکاں جیچے کو اپنانا۔
- اسیک ہولڈرز سے روابط: پائیدار ترقی کو تیقینی بنانے کے لیے اسیک ہولڈرز کے ساتھ تعلقات کو مضبوط بہانتا۔

بورڈ آف ڈائریکٹرز کو تیقینہ ہے کہ مضاربہ اپنے سرٹیکیٹ ہولڈرز کے لیے طویل مدتی قدر فراہم کرنے اور پاکستان کے کلین ائری ٹرانزیشن میں موثر کردار ادا کرنے کی صلاحیت رکھتا ہے۔

5. چیف ایگریکٹو کی تبدیلی:

جناب عامر نیم چشتی کی جگہ جناب نبیل احمد ملک کو برج مضاربہ میجنت کمپنی (پرائیویٹ) لمبیڈ کا نیا چیف ایگریکٹو مقرر کیا گیا ہے۔ بورڈ جناب ملک کو خوش آمدید کہتا ہے اور جناب چشتی کی فتحی خدمات اور ملخصانہ تعاون پر ان کا دل سے شکریہ ادا کرتا ہے۔

6. اظہار شکر:

بورڈ رجسٹر ار مضاربہ، سیکیورٹیز اینڈ ایچین گیمیش آف پاکستان، پاکستان اسٹاک ایچین، شرائکت داروں، مشیروں، اور انڈر رائٹر کا تھہ دل سے شکریہ ادا کرتا ہے، جنہوں نے مضاربہ کے اجرا کے دوران بھر پور تعاون، حملیت، اور رہنمائی فراہم کی۔

مزید برآں، بورڈ آف ڈائریکٹرز ان تمام سرٹیکیٹ ہولڈرز کا بھی شکریہ ادا کرتا ہے جنہوں نے برج گروپ پر اعتماد کا اظہار کیا اور ابتدائی عوامی پیشکش میں حصہ لیا۔ اسی طرح، انتظامی ٹیم اور ملازمین کی مسلسل محنت اور واہستگی کو بھی سراہا جاتا ہے۔

ازطرف بورڈ آف ڈائریکٹرز

Al-Masih

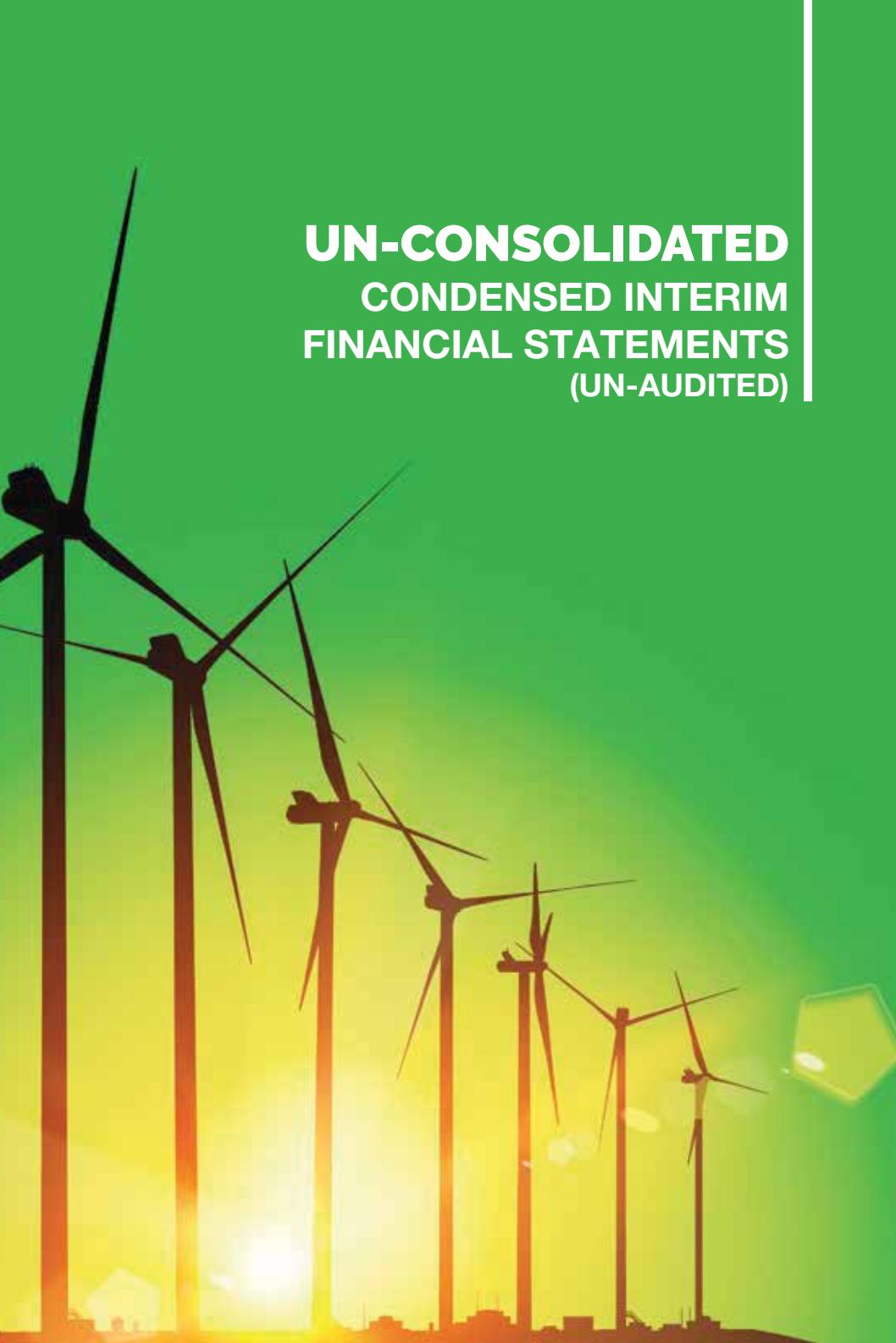
H.Rahim

چیف ایگریکٹو
برج مضاربہ میجنت کمپنی (پرائیویٹ) لمبیڈ
(میجنت کمپنی آف برج کلین ائری مضاربہ)

چیئرمین
برج مضاربہ میجنت کمپنی (پرائیویٹ) لمبیڈ
(میجنت کمپنی آف برج کلین ائری مضاربہ)

مورخ: 26 فروری 2025

کراجی



**UN-CONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)**



Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE CERTIFICATE HOLDERS OF M/S. BURJ CLEAN ENERGY MODARABA**

Report on Review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of M/s. Burj Clean Energy Modaraba ("the Modaraba") as at December 31, 2024 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows and notes thereto for the six-month period then ended (here-in-after referred to as the "unconsolidated interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated interim financial statements based on our review.

Scope of review

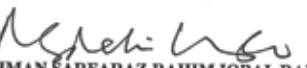
We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As part of our engagement, we were only required to review the cumulative figures for the six-month period ended December 31, 2024. Accordingly, we have not reviewed the figures in the condensed interim unconsolidated statement of profit or loss and the condensed interim unconsolidated statement of comprehensive income for the three-month period ended December 31, 2024.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Mr. Muhammad Rafiq Dosani.


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: February 27, 2025

UDIN: RR20241021070gY1BJGU

A member of

Russell Bedford International

A global network of independent accountancy firms,
business consultants and specialist legal advisers.

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT DECEMBER 31, 2024

	Note	December 31, 2024
		Rupees
ASSETS		
Non Current Assets		
Property, plant and equipment	4	411,420
Long term investments	5	791,119,600
Preliminary expenses and floatation costs	6	45,854,151
Long term deposit	7	600,000
		837,985,171
Current Assets		
Other receivables	8	2,268,129
Cash and bank balances	9	191,670,358
		193,938,487
Total Assets		1,031,923,658
EQUITY AND LIABILITIES		
Certificates Holders' Equity		
Certificate capital	10	1,000,000,000
Unappropriated profits		2,270,412
		1,002,270,412
Current Liabilities		
Due to Management Company	11	27,333,774
Trade and other payables	12	2,319,472
		29,653,246
Contingencies and Commitments	13	-
Total Equity and Liabilities		1,031,923,658

The annexed notes 1 to 26 form an integral part of these financial statements.



Chief Executive Officer



Director



Director



Chief Financial Officer

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

	Note	For the period from December 2, 2024 to December 31, 2024
		— Rupees —
Profit on bank balances	14	4,989,423
Administrative expenses	15	(1,363,841)
Profit before charging Management Company's remuneration		3,625,582
Management Company's remuneration	16	(362,558)
Provision for Worker's Welfare Funds		(65,260)
Profit before taxation		3,197,763
Taxation	17	(927,351)
Profit after taxation		2,270,412
Earnings per certificate - basic and diluted		0.023

The annexed notes 1 to 26 form an integral part of these financial statements.



Chief Executive Officer



Director



Director



Chief Financial Officer

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

For the period from
December 2, 2024 to
December 31, 2024

———— Rupees ————

Profit After Taxation	2,270,412
Other comprehensive income	-
Total comprehensive income for the period	2,270,412

The annexed notes 1 to 26 form an integral part of these financial statements.



Chief Executive Officer



Director



Director



Chief Financial Officer

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

	Issued, subscribed and paid up capital	Revenue reserve	Total
		Unappropriated profits	
		Rupees	
Balance as at December 2, 2024			
(date of commencement)			
- Issued of ordinary certificate during the period	1,000,000,000	-	1,000,000,000
Total comprehensive income for the period	-	2,270,412	2,270,412
Balance as at December 31, 2024	<u>1,000,000,000</u>	<u>2,270,412</u>	<u>1,002,270,412</u>

The annexed notes 1 to 26 form an integral part of these financial statements.



Chief Executive Officer



Director



Director



Chief Financial Officer

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

For the period from
December 2, 2024 to
December 31, 2024

Note

Rupees

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

2,270,412

2,270,412

Operating profit before working capital changes

Working capital changes:

(Increase) / decrease in current assets:

Other receivables

8

(2,268,129)

Increase/ (decrease) in current liabilities

Due to related parties

11

27,333,774

Trade and other payables

12

2,319,472

27,385,117

Cash generated from operations

29,655,529

Taxes paid

-

Cash generated from operations

29,655,529

CASH FLOWS FROM INVESTING ACTIVITIES

Addition in Modaraba pre-commencement expenditure

6

(45,854,151)

Additions to capital work-in-progress

(411,420)

Security deposit paid

(600,000)

Net cash used in investing activities

(46,865,571)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from modaraba certificates

10

208,880,400

Net cash generated from financing activities

208,880,400

Net increase in cash and cash equivalents

Cash and cash equivalents at the beginning of the period

191,670,358

Cash and cash equivalents at the end of the period

9

-

191,670,358

The annexed notes 1 to 26 form an integral part of these financial statements.



Chief Executive Officer



Director



Director



Chief Financial Officer

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

1. STATUS AND NATURE OF BUSINESS

- 1.1 Burj Clean Energy Modaraba (the Modaraba) is a multipurpose and perpetual modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by Burj Modaraba Management Company (Private) Limited (the Modaraba Management Company). The Modaraba Management Company is incorporated in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017) and is registered with the Registrar of Modaraba Companies and Modaraba under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The Modaraba is formally listed on October 10, 2024 on Growth Enterprise Market Board (GEM Board) of Pakistan Stock Exchange Limited. After receiving the certificate of minimum subscription the Modaraba commenced its operations with effect from December 2, 2024. The Registered Office is situated at Office 202, 11-C, Al Murtaza Commercial Lane 2, DHA Phase 8, Karachi, Pakistan.
- 1.2 The Modaraba is a multi-purpose and perpetual entity primarily focused on developing and operating distributed renewable energy projects in Pakistan. Supplying energy services to commercial, industrial, utility, government, and residential clients through Power Purchase Agreements. Its activities include leasing renewable energy equipment, investing in clean energy projects, and providing energy storage solutions. Additionally, the Modaraba 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) while exploring new business opportunities to strengthen Pakistan's renewable energy sector.

2. BASIS OF PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS

2.1 Statement of compliance with the applicable accounting and reporting standards

These un-consolidated condensed interim financial statements of the Modaraba for the period from December 2, 2024 to December 31, 2024 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas.. The accounting and reporting standards as applicable in Pakistan comprise of the following:

- (a) International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and such other reporting standards [including Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP)] as notified by the Securities and Exchange Commission of Pakistan (SECP) under section 225(1) of the Companies Act, 2017 (here-in-after collectively referred to as the 'applicable financial reporting standards'); and

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

- (b) The legal provisions of the (i) Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, (ii) Modaraba Companies and Modaraba Rules, 1981, (iii) Prudential Regulations for Modarabas as well as the notifications, circulars or directives issued thereunder by the SECP from time to time (here-in-after collectively referred to as the 'applicable laws and regulations').

Wherever the requirements of the applicable financial reporting standards differ from the requirements of the applicable laws and regulations, the latter shall prevail.

These un-consolidated condensed interim financial statements comprise of un-consolidated condensed interim statement of financial position as at December 31, 2024 and the related un-consolidated condensed interim statement of profit and loss account, un-consolidated condensed interim statement of comprehensive income, un-consolidated condensed interim statement of cash flows, un-consolidated condensed interim statement of changes in equity and notes thereto, for the period from December 2, 2024 to December 31, 2024.

2.2 Basis of measurement

These un-consolidated condensed interim financial statements have been prepared under the historical cost convention as modified by remeasurement of certain financial assets and financial liabilities which are measured at fair value.

2.3 Functional and presentation currency

Items included in these un-consolidated condensed interim financial statements are measured using the currency of the primary economic environment in which the Modaraba operates. These un-consolidated condensed interim financial statements are presented in Pak Rupees which is the Modaraba's functional and presentation currency.

2.4 Use of estimates and judgements

The preparation of un-consolidated condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

2.5 New accounting pronouncements

2.5.1 Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current year:

There are certain amendments to the standards and new interpretations that are mandatory for the Modaraba's accounting periods beginning on July 1, 2022 but are considered not to be relevant or do not have any significant effect on the Company's operations and are, therefore, not detailed in these un-consolidated condensed interim financial statements.

2.5.2 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective:

The following amendments with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective amendments:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2023 & January 1, 2024
- IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (amendments)	January 1, 2023
- IFRS 16 - 'Leases' (amendments)	January 1, 2024
- IAS 12 - 'Income taxes' (amendments)	January 1, 2023

3. MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies adopted in the preparation of these un-consolidated condensed interim financial statements are set out below. The accounting policies set out below have been applied consistently to all periods presented in these un-consolidated condensed interim financial statements.

3.1 Property, plant and equipment

3.1.1 Operating assets

Operating assets, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

Disposal of assets is recognized when significant risks and rewards incidental to ownership have been transferred to the buyer. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in profit and loss.

Major components of an item of property, plant and equipment having different useful lives are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Modaraba and the cost of the item can be measured reliably. All other repairs and maintenance are recognized in un-consolidated condensed interim statement of profit or loss and un-consolidated condensed interim comprehensive income as and when incurred. Major renewals and improvements are capitalised.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Maintenance and repairs are charged to income in the un-consolidated condensed interim statement of profit or loss and un-consolidated condensed interim comprehensive income as and when incurred. Major renewals and improvements are capitalised.

Gains and losses on disposal are recognized in the un-consolidated condensed interim statement of profit or loss and un-consolidated condensed interim comprehensive income in the period in which these arise.

3.1.2 Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any. All expenditures incurred during installation and construction period, connected with specific assets, are carried in capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

3.2 Trade debts, contract assets and other receivables

Trade debts and other receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognized at fair value. The Modaraba holds trade debts with the objective of collecting the contractual cash flows and, therefore, measures the trade debts subsequently at amortised cost using the effective interest method.

A contract asset is recognized for the Modaraba's right to consideration in exchange for goods or services that it has transferred to a customer. If the Modaraba performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Modaraba presents the amount as a contract asset, excluding any amounts presented as a receivable.

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits maintained with banks and short-term highly liquid investments with original maturity of three months or less from the date of acquisition. Running finance facilities availed by the Modaraba, if any, which are repayable on demand and form an integral part of the Modaraba's cash management cycle are included as a part of cash and cash equivalents for the purpose of the un-consolidated condensed interim statement of cash flows.

3.4 Modaraba certificates

Modaraba certificates are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new certificates or options are shown in equity as a deduction, net of tax, from the proceeds.

3.5 Investment in subsidiaries and associates

3.5.1 In subsidiary entities

Subsidiaries are entities controlled by the Modaraba. The Modaraba controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investment in subsidiary is initially recognized at cost, which is the fair value of the consideration paid on acquisition of the subsidiary. At subsequent reporting date, recoverable amounts are estimated to determine the extent of impairment loss, if any, and carrying amount of investment is adjusted accordingly. Impairment losses are recognized as an expense in profit or loss. Where impairment loss subsequently reverses, the carrying amount of investment is increased to its revised recoverable amount but limited to the extent of initial cost of investment. Reversal of impairment losses are recognized in the un-consolidated condensed interim statement of profit or loss.

The profits and losses of subsidiaries are carried forward in their financial statements and not dealt within these un-consolidated condensed interim financial statements except to the extent of dividend declared by the subsidiaries which are recognized in other income. Gains and losses on disposal of investment is included in other income, if any. When the disposal of investment in subsidiary resulted in loss of control such that it becomes an associate, the retained investment is carried at cost.

3.5.2 In associate entities

Associates are entities in which the Modaraba has significant influence but not control over the financial and operating policies. Investments in associates are initially recognized at cost. At subsequent reporting date, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as expense in the profit or loss. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the profit or loss.

The profits and losses of associates are carried forward in their financial statements and not dealt within these financial statements except to the extent of dividend declared by the associates which are recognized in other income. Gains and losses on disposal of investment is included in other income.

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

3.6 Borrowings

Borrowings are recognized initially at fair value net of attributable transaction costs incurred and are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the un-consolidated condensed interim statement of profit or loss and un-consolidated condensed interim comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Modaraba has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3.7 Staff retirement benefit

The Modaraba operates an un-approved / unfunded defined benefit gratuity scheme for all permanent employees who have completed the minimum qualifying period of service of one year. The Modaraba's net obligation in respect of unfunded gratuity scheme is calculated by estimating the amount of future benefits the employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. The calculation is performed annually by a qualified actuary using the Projected Unit Credit method. Remeasurement gains / losses are recognized in un-consolidated condensed interim comprehensive income.

3.8 Trade and other payables

These are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method. Exchange gains and losses arising in respect of liabilities denominated in foreign currencies are adjusted against the carrying amounts of the respective liabilities.

3.9 Provisions

Provisions are recognised when the Modaraba has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.10 Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

3.11 Financial instruments

3.11.1 Financial assets

The Modaraba classifies its financial assets in the following measurement categories in accordance with IFRS 9 based on the Modaraba's business model for managing the financial assets and the contractual terms of the cash flows:

(i) At amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

(ii) Fair value through other comprehensive income

Financial assets at fair value through un-consolidated condensed interim comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through un-consolidated condensed interim comprehensive income or assets that are designated at fair value through un-consolidated condensed interim statement of profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through un-consolidated condensed interim statement of profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in un-consolidated condensed interim statement of profit or loss. Dividends from such investments continue to be recognised in un-consolidated condensed interim statement of profit or loss when the Modaraba's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in un-consolidated condensed interim comprehensive income there is no subsequent reclassification of fair value gains and losses to un-consolidated condensed interim statement of profit or loss following the derecognition of the investment.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Modaraba commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Modaraba has transferred substantially all the risks and rewards of ownership. At initial recognition, the Modaraba measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the un-consolidated condensed interim statement of profit or loss.

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

3.11.2 Financial liabilities

Financial liabilities are recognised at the time when the Modaraba becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through un-consolidated condensed interim statement of profit or loss are initially recognised at fair value and transaction costs are expensed on un-consolidated condensed interim statement of profit or loss. Financial liabilities, other than those at fair value through un-consolidated condensed interim statement of profit or loss, are subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in un-consolidated condensed interim statement of profit or loss.

3.11.3 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the un-consolidated condensed interim statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Modaraba or the counterparty.

3.12 Impairment

3.12.1 Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised as an expense in the un-consolidated condensed interim statement of profit or loss and un-consolidated condensed interim statement of comprehensive income. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

3.12.2 Impairment of financial assets

The Modaraba recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

For financial assets other than trade debts, the Modaraba recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial assets has not increased significantly since initial recognition, the Modaraba measures the loss allowance for that financial asset at an amount equal to 12-month ECL under IFRS 9.

The Modaraba measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Modaraba recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

3.13 Contingencies

The assessment of contingencies inherently involves the exercise of significant judgement as the outcome of future events cannot be predicted with certainty. The Modaraba, based on availability of latest information, estimates the value of contingent liabilities, which may differ on the occurrence / non-occurrence of uncertain future event(s).

3.14 Revenue recognition

Revenue from sales of goods or services is recognized when the goods have been delivered and services are performed i.e. when the Modaraba has satisfied its performance obligation under the contract.

3.15 Other income

Return on bank deposits and short term investments is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

3.16 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred, except, where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs.

3.17 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupee equivalents using the exchange rates at the reporting date. Non-monetary assets and liabilities are stated using exchange rates that existed when the values were determined. Exchange differences on foreign currency transactions and translations are included in the un-consolidated condensed interim statement of profit or loss and un-consolidated condensed interim statement of comprehensive income.

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

3.18 Transactions with related parties

Sales, purchases, services and other transactions with related parties are carried out on terms and conditions agreed between the parties.

	Note	December 31, 2024
		—— Rupees ——
4. PROPERTY, PLANT AND EQUIPMENT		
Capital work-in-progress	4.1	<u>411,420</u>
4.1 Capital work-in-progress		
Additions during the period		411,420
Transfers to operating fixed assets		-
Closing balance		<u>411,420</u>
5. LONG TERM INVESTMENTS		
Investments held at cost		
In subsidiary companies (Unquoted)		
Burj Solar Energy (Private) Limited - BSEPL	5.1	218,939,600
In associated company (Unquoted)		
JPL Holding PTE Limited - JPLH	5.2	572,180,000
		<u>791,119,600</u>

5.1 Investment in BSEPL - at cost

The Modaraba owns 100% certificates of Burj Solar Energy (Private) Limited (the "Subsidiary"), a Company incorporated in Islamic Republic of Pakistan, as a private limited company under the Repealed Companies' Ordinance 1984 (now Companies Act, 2017). The principal activities of the Company is to design, finance, construct, commission and operate renewable energy systems for generation and supply of electricity to commercial, industrial, institutional and residential clients under long term power purchase and equipment rental agreements. The Company commenced its commercial operations in August 2022.

5.2 Investment in BSEPL - at cost

JPL Holding Pte Ltd (the "Associated"), a Company incorporated and domiciled in the Republic of Singapore. The registered office and principal place of business of the Company is located at 9 Straits View # 06-07, Marina One West Tower, Singapore 018937. The principal activity of the Company is that of investment holding.

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

Note	December 31, 2024	Rupees
------	----------------------	--------

6. PREMILINARY EXPENSES AND FLOATATION COSTS

Additions during the period	6.1	46,594,557
Amortization Charge for the period		<u>(740,406)</u>
		<u>45,854,151</u>

- 6.1 This represents expenses incurred in respect of issue of the Modaraba certificates to the public and includes cost of organization and floatation of the Modaraba, cost of printing, publication and distribution of the prospectus, underwriting expenses, commission to the bankers to the issue and brokerage and other ancillary cost. Preliminary expenses and floatation costs are being amortized on prorata basis over the period of five years as required by the Third Schedule of Modaraba Companies and Modaraba Rules, 1981.

Note	December 31, 2024	Rupees
------	----------------------	--------

7. LONG TERM DEPOSIT

Security deposit	600,000
------------------	---------

8. OTHER RECEIVABLES

Sales tax refundable	603,952
Profit on bank receivable	<u>1,664,177</u>
	<u>2,268,129</u>

9. CASH AND BANK BALANCES

Cash at bank	9.1	164,400,618
- Saving accounts - local currency		<u>27,269,740</u>
- Current accounts - local currency		<u>191,670,358</u>

- 9.1 Represents local currency deposits carrying return at the average rate of 10% per annum.

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

10. CERTIFICATES CAPITAL

Authorized certificates capital

December 31, 2024		December 31, 2024
—Number of Certificates—		—Rupees—
100,000,000	Modaraba certificates of Rs. 10 each	1,000,000,000

- 10.1 As at December 31, 2024, the Certificates holders, including its nominees, held the entire issued, subscribed and paid-up capital of the Modaraba.

Issued, subscribed and paid-up capital

December 31, 2024		December 31, 2024
—Number of Certificates—		—Rupees—
79,111,960	Modaraba certificates of Rs. 10 each - other than cash	791,119,600
20,888,040	Modaraba certificates of Rs. 10 each - fully paid in cash	208,880,400
<u>100,000,000</u>		<u>1,000,000,000</u>

- 10.2 Each certificate carries one voting right and right to dividend.

Note	December 31,
	2024
	—Rupees—

11. DUE TO MANAGEMENT COMPANY

Burj Modaraba Management Company (Private) Limited Management Company's remuneration	11.1	26,971,216
		362,558
		<u>27,333,774</u>

- 11.1 These represent unsecured and interest-free balances with related parties, paid for meeting expenses, and are repayable on demand and/or convertible to Issued, subscribed and paid-up share certificates.

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

Note	December 31, 2024	Rupees
------	----------------------	--------

12. TRADE AND OTHER PAYABLES

Accrued expenses		1,326,860
Sindh Workers' Welfare Fund	12.1	65,260
Income tax payable		927,351
		<hr/> <hr/> <hr/> 2,319,472

- 12.1 This represents the provision for Sindh Workers' Welfare Fund recognized in the respective financial period. The provision has been computed at the rate of 2% of declared taxable income or accounting profit, whichever is higher, as notified under the Sindh Workers' Welfare Fund Act, 2014 promulgated in June 2015.

13. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2024

Note	For the period ended from December 2, 2024 to December 31, 2024	Rupees
------	--	--------

14. PROFIT ON BANK BALANCES

Profit on bank deposits		4,989,423
		<hr/>

15. ADMINISTRATIVE EXPENSES

Advertisement and publicity		137,275
Auditors' remuneration	15.1	300,000
Legal And Professional Fee		150,000
Fee And Subscription		35,000
Amortization of deferred costs		740,406
Bank charges		1,160
		<hr/> <hr/> <hr/> <hr/> <hr/> 1,363,841

15.1 Auditors' remuneration

Audit fee		200,000
Half yearly review		100,000
Review of corporate governance		-
		<hr/> <hr/> <hr/> 300,000

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

For the period
ended from
December 2, 2024 to
December 31, 2024
— Rupees —

16. MANAGEMENT COMPANY'S REMUNERATION

Management Company's remuneration	362,558
	<u>362,558</u>

- 16.1 The Modaraba Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 up to a maximum of 10% per annum of the net annual profits of the Modaraba.

Note For the period
 ended from
 December 2, 2024 to
 December 31, 2024
— Rupees —

17. TAXATION

Current	927,351
Deferred	-
	<u>927,351</u>

- 17.1 As of the reporting date there were no material temporary differences, therefore, no deferred tax has been recognized in these financial statements.

18. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Board of Directors of the Modaraba Management Company has overall responsibility for the establishment and oversight of the Modaraba's risk management framework. The Modaraba has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

18.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Modaraba's internal credit management purposes, a financial asset is considered as defaulted when it is past due for 90 days or more.

The Modaraba writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

(i) Exposure to credit risk

The carrying amount of financial assets represent the maximum credit exposure. Credit risk of the Company arises principally from the trade debts, deposits, other receivables bank balances and instruments in hand, if any. The maximum exposure to credit risk at the reporting date was:

	December 31, 2024	
	Rupees	
	Carrying amount	Maximum exposure
Other receivables	2,268,129	2,268,129
Cash and bank balances	191,670,358	191,670,358
	193,938,487	193,938,487

Bank balances

The Modaraba limits its exposure to credit risk by maintaining bank accounts only with counterparties that have a good credit rating. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations. There are no indicators of impairment as the counter parties have reasonably high credit ratings as mentioned below:

Name of bank / financial institutions	Rating agency	Rating	
		Short-term	Long-term
Bank Islami Pakistan Limited	PACRA	A1	AA-
Mezan Bank Limited	VIS	A1+	AAA

18.2 Liquidity risk

Liquidity risk is the risk that the Modaraba will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of adequate funds through committed credit facilities. The Modaraba finances its operations through equity and borrowings with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	Due				Total
	Contractual cashflows	Within 1 year	Between 1 to 5 years	Later than 5 years	
31 December 2024					
Trade and other payables	2,319,472	2,319,472	-	-	2,319,472
	2,319,471	2,319,472	-	-	2,319,472

18.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Modaraba incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board.

Market risk management is further analysed in three categories:

- (a) Interest rate risk management
- (b) Currency risk management
- (c) Price risk management

a) Interest rate risk management

The interest rate risk is the risk that the fair value of the financial instrument will fluctuate due to the changes in the market interest rates. Sensitivity to the interest rate risk arises from mismatch of financial assets and liabilities that mature in a given period.

Profile

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	Carrying amount	Interest rate (per annum)
	December 31, 2024	Rupees %
Variable rate instruments at carrying amount		
Financial assets		
Bank balances - local currency	191,670,358	10%

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

Sensitivity analysis

The Modaraba does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate will not affect the carrying amount of any financial instrument.

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

**December 31,
2024**

— Rupees —

19. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per statement of financial position:

- At amortized cost

Deposits and other receivables	2,268,129
Cash and bank balances	191,670,358
	<hr/>
	193,938,487

Financial liabilities as per statement of financial position:

- At amortized cost

Trade and other payables	2,319,472
	<hr/>
	2,319,472

20. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

As at December 31, 2024, the fair values of all assets and liabilities reflected in the financial statements approximate their carrying amounts.

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

21. CAPITAL RISK MANAGEMENT

The Modaraba's objective when managing capital, is to safeguard the Modaraba's ability to provide return to shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its business. The Board regularly monitors the capital structure of the Modaraba by ensuring that appropriate capital is injected and manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. There were no changes to the Modaraba's approach to capital management during the year and the Modaraba is not subject to externally imposed capital requirements.

The Modaraba manages its capital structure by making adjustments to it in the light of changes in economic conditions. To manage its capital structure, the Modaraba may issue shares or use dividend policy to influence the retention rate.

The management closely monitors the return on capital along with the level of distribution to certificate holders. Following is the quantitative analysis of what the Modaraba managers as capital:

	December 31, 2024
	—— Rupees ——
Certificate holders' equity	
- issued, subscribed and paid up capital	1,000,000,000
- Reserves	2,270,412
Total capital managed by the Modaraba	1,002,270,412

22. EARNING PER CERTIFICATE - Basic and diluted

22.1 Basic earning per certificate

Profit after taxation	2,270,412
	—— Numbers ——
Weighted average number of certificates outstanding	
	100,000,000
	—— Rupees ——
Earning per certificate - basic	0.023

NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM DECEMBER 2, 2024 TO DECEMBER 31, 2024

22.2 Diluted earnings per certificate

There is no diluted effect on the basic earnings per certificate of the Modaraba, since there were no potential certificates in issue as at December 31, 2024.

23. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Parent Company, holding companies, ultimate Parent Company, associated companies, directors, key management personnel, entities with common directors and entities over which directors are able to exercise influence.

- 23.1 Details of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

For the period
ended from
December 2, 2024 to
December 31, 2024
—— Rupees ——

Transactions with:

Modaraba Management Company

Burj Modaraba Management Company (Private) Limited

Expenses paid on behalf of the Modaraba	37,340,220
Repayments / settled by the Modaraba	(37,340,220)
Advance for expenses	26,971,216

- 23.2 Transactions with related parties are carried out on agreed terms and conditions.

24. COMPARATIVES

There are no comparative figures as this the Modaraba's first set of financial statements since its incorporation on December 2, 2024.

25. ROUNDING OFF

Figures have been rounded off to the nearest Pakistan Rupees unless otherwise stated.

26. DATE OF APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors of the Modaraba Management Company in their meeting held on February 26, 2025.



Chief Executive Officer



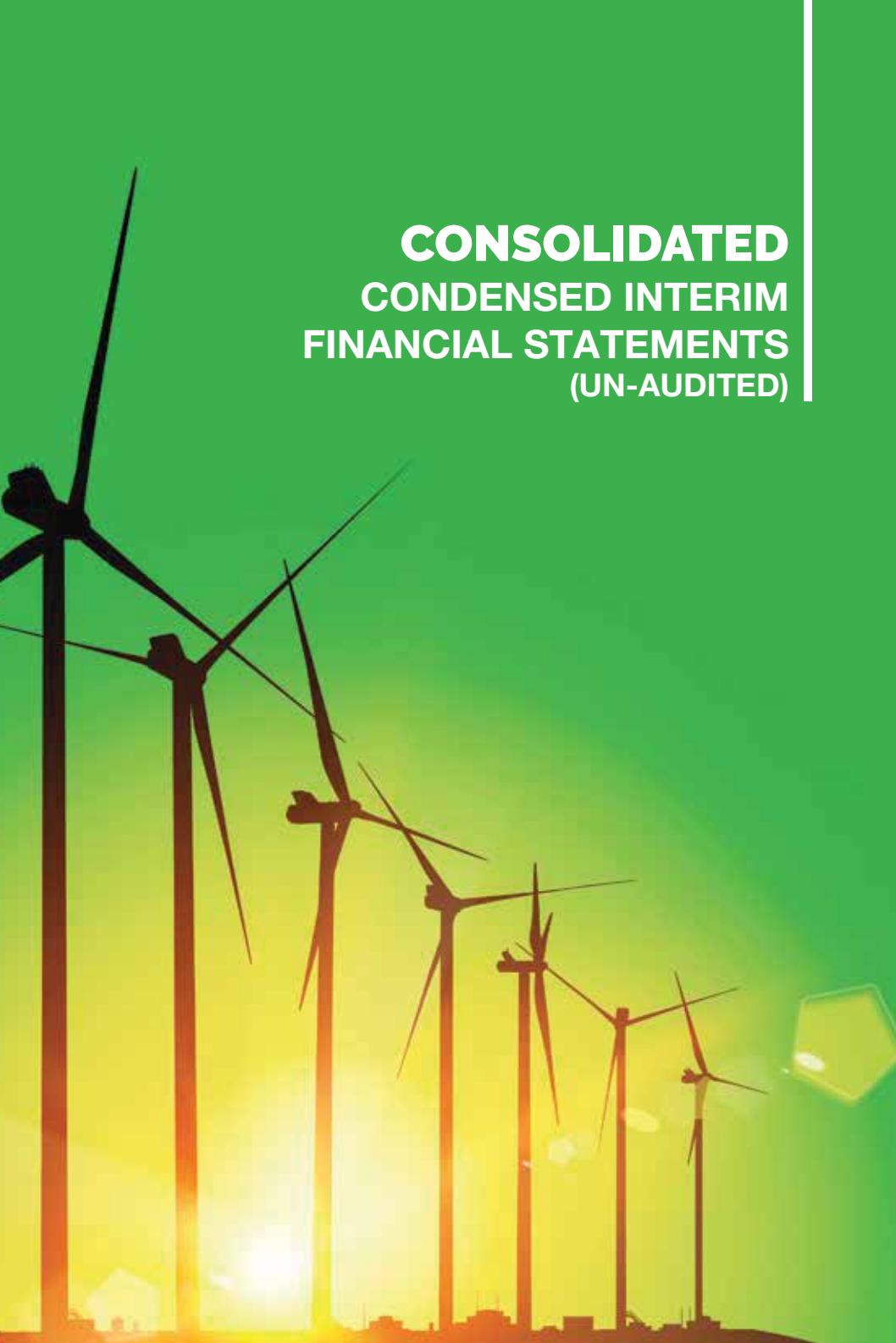
Director



Director



Chief Financial Officer



**CONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT DECEMBER 31, 2024

	Note	December 31, 2024
		Rupees
ASSETS		
Non-current assets		
Plant and equipment	4	637,093,933
Long Term Investments	5	572,180,000
Premilinary expenses and floatation costs	6	45,854,151
Right of use assets	7	6,720,513
		<u>1,261,848,597</u>
Current assets		
Trade receivables		16,099,225
Due from a related party		1,232,560
Other receivables	8	37,065,494
Taxation - net	9	1,312,193
Short term investments	10	65,334,624
Bank balances	11	208,735,036
		<u>329,779,132</u>
Total assets		<u>1,591,627,729</u>
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized capital	12	<u>1,000,000,000</u>
Issued, subscribed and paid-up capital	12	1,000,000,000
Unappropriated profits		<u>37,984,274</u>
		<u>1,037,984,274</u>
Non Current liabilities		
Long term financing - secured	13	381,651,217
Lease liability	14	992,010
Security deposit	15	32,801,694
		<u>415,444,921</u>
Current Liabilities		
Current maturity of Long term financing - secured	13	61,064,200
Current maturity of lease liabilities	14	2,186,744
Due to related parties	16	70,559,560
Trade and other payables	17	4,388,030
		<u>138,198,534</u>
Contingencies and commitments		
Total equity and liabilities	18	<u>1,591,627,729</u>

The annexed notes 1 to 34 form an integral part of these financial statements.



Chief Executive Officer



Director



Director



Chief Financial Officer



CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

**For the period from
July 1, 2024 to
December 31, 2024**

Note

— Rupees

Revenue

Service revenue	19	74,216,308
Income from investment in mutual funds		5,097,677
Profit on bank deposits		5,735,127
		85,049,112

Operating expenses

Administrative expenses	20	(32,523,645)
Financial charges	22	(24,309,542)
		(56,833,187)

Operating profit

Management Company Remuneration	21	(362,558)
Provision for Worker's Welfare Fund		(65,260)
Other income	23	19,807,085

Profit before levies and taxation

Levies 24 (8,683,567)

Profit before taxation

Taxation 25 (927,351)

Profit after taxation

Earning per certificate 0.38

The annexed notes 1 to 34 form an integral part of these financial statements

Chuchik

Chief Executive Officer

H.Rahim

Director

Salem

Director

2

Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

For the period from
July 1, 2024 to
December 31, 2024

— Rupees —

Profit after taxation	37,984,274
Other comprehensive income	-
Total comprehensive income for the period	37,984,274

The annexed notes 1 to 34 form an integral part of these financial statements.



Chief Executive Officer



Director



Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

	Issued, subscribed and paid up capital	Revenue reserve	Total
	Rupees		
- Issued of ordinary certificate during the period	1,000,000,000	-	1,000,000,000
Total comprehensive income for the period	-	37,984,274	37,984,274
Balance as at December 31, 2024 (Un-Audited)	1,000,000,000	37,984,274	1,037,984,274

The annexed notes 1 to 34 form an integral part of these financial statements.



Chief Executive Officer



Director



Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

For the period from
July 1, 2024 to
December 31, 2024
Note _____
Rupees _____

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before levies and taxation	47,595,192
-----------------------------------	------------

Adjustments for:

- Depreciation on operating fixed assets	4	16,828,741
- Ammortization on Deffered costs		740,406
- Depreciation on leased assets	7	1,598,835
- Finance charges on lease	22	600,944
- Finance cost	22	23,708,598
- Gain on bargain purchase	23	(12,051,685)
		31,425,839

Operating profit before working capital changes	79,021,031
--	------------

Working capital changes

(Increase) / decrease in current assets

Trade receivables	15,210,727
Due from a related party	(1,175,309)
Other receivables	6,407,221

Increase/(decrease) in current liabilities

Due to related parties	39,723,471
Trade and other payables	(2,566,526)
	57,599,584

Cash generated from operations

136,620,615

Taxes paid	(10,433,985)
Finance cost paid	(23,708,598)
Net cash generated from operating activities	102,478,032

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

For the period from
July 1, 2024 to
December 31, 2024

Note

——— Rupees ———

CASH FLOWS FROM INVESTING ACTIVITIES

Development cost		(16,013,033)
Addition in Modaraba pre-commencement expenditure		(46,594,557)
Investments made during the year - net		(20,670,748)
Additions to operating fixed assets	4	(403,614)
Net cash used in investing activities		(83,681,952)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from modaraba certificates		208,880,400
Long term financing repaid	13	(30,532,092)
Lease rentals paid	14	(1,569,629)
Net cash generated from financing activities		176,778,679
Net increase in cash and cash equivalents		195,574,759
Cash and cash equivalents at the beginning of the period		13,160,277
Cash and cash equivalents at the end of the period		208,735,036

The annexed notes 1 to 34 form an integral part of these financial statements.



Chief Executive Officer



Director



Director



Chief Financial Officer

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

1. STATUS AND NATURE OF BUSINESS

- 1.1 Burj Clean Energy Modaraba (the Modaraba) is a multipurpose and perpetual modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by Burj Modaraba Management Compan (Private) Limited (the Modaraba Management Company). The Modaraba Management Company is incorporated in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017) and is registered with the Registrar of Modaraba Companies and Modaraba under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The Modaraba is formally listed on October 10, 2024 on Growth Enterprise Market Board (GEM Board) of Pakistan Stock Exchange Limited. The Registered Office is situated at Office 202, 11-C, Al Murtaza Commercial Lane 2, DHA Phase 8, Karachi, Pakistan.
- 1.2 The Modaraba is a multi-purpose and perpetual entity primarily focused on developing and operating distributed renewable energy projects in Pakistan. Supplying energy services to commercial, industrial, utility, government, and residential clients through Power Purchase Agreements. Its activities include leasing renewable energy equipment, investing in clean energy projects, and providing energy storage solutions. Additionally, the Modaraba 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) while exploring new business opportunities to strengthen Pakistan's renewable energy sector.
- 1.3 The Group consists of Burj Clean Energy Modaraba (the "Holding Company or Modaraba"), Burj Solar Energy (Private) Limited ("the Subsidiary") and JPL Holding PTE LTD - Singapore (the Associates").

1.4 Subsidiary

Burj Solar Energy (Private) Limited ("the Subsidiary") was incorporated in Pakistan on July 08, 2015 as a private limited company under the Repealed Companies' Ordinance 1984 (now Companies Act, 2017). The principal activities of the Subsidiary is to design, finance, construct, commission and operate renewable energy systems for generation and supply of electricity to commercial, industrial, institutional and residential clients under long term power purchase and equipment rental agreements. The Subsidiary commenced its commercial operations in August 2022.

The registered office of the Subsidiary is situated at 202, 11-C, Al -Murtaza Commercial Lane 2, DHA Phase 8, Karachi, Pakistan. The solar power plant has been setup at 'Nooriabad Industrial Area, Kalo Kohar, District Jamshoro, Sindh.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

2. BASIS OF PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS

2.1 Statement of compliance with the applicable accounting and reporting standards

These consolidated condensed interim financial statements of the Modaraba for the period from July 1, 2024 to December 31, 2024 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas.. The accounting and reporting standards as applicable in Pakistan comprise of the following:

- (a) International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and such other reporting standards [including Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP)] as notified by the Securities and Exchange Commission of Pakistan (SECP) under section 225(1) of the Companies Act, 2017 (here-in-after collectively referred to as the 'applicable financial reporting standards'); and
- (b) The legal provisions of the (i) Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, (ii) Modaraba Companies and Modaraba Rules, 1981, (iii) Prudential Regulations for Modarabas as well as the notifications, circulars or directives issued thereunder by the SECP from time to time (here-in-after collectively referred to as the 'applicable laws and regulations').

Wherever the requirements of the applicable financial reporting standards differ from the requirements of the applicable laws and regulations, the latter shall prevail.

These consolidated condensed interim financial statements comprise of consolidated condensed interim statement of financial position as at December 31, 2024 and the related consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of cash flows, consolidated condensed interim statement of changes in equity and notes thereto, for the period from July 1, 2024 to December 31, 2024.

2.2 Basis of measurement

These consolidated condensed interim financial statements have been prepared under the historical cost convention as modified by remeasurement of certain financial assets and financial liabilities which are measured at fair value.

2.3 Functional and presentation currency

Items included in these consolidated condensed interim financial statements are measured using the currency of the primary economic environment in which the Modaraba operates. These consolidated condensed interim financial statements are presented in Pak Rupees which is the Modaraba's functional and presentation currency.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

2.4 Critical accounting estimates, assumptions and judgments

The preparation of the consolidated condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Modaraba's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events that are believed to be reasonable under the circumstances. The Modaraba makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

2.5 Initial application of a standard, amendment or an interpretation to an existing standard

2.5.1 Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current year:

There are certain amendments to the standards and new interpretations that are mandatory for the Modaraba's accounting periods beginning on July 1, 2022 but are considered not to be relevant or do not have any significant effect on the Modaraba's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

2.5.2 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective:

The following amendments with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective amendments:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2023 & January 1, 2024
- IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (amendments)	January 1, 2023
- IFRS 16 - 'Leases' (amendments)	January 1, 2024
- IAS 12 - 'Income taxes' (amendments)	January 1, 2023

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies used in the preparation of these consolidated condensed interim financial statements are set out below:

3.1 Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the relevant activities of the subsidiaries;
- is exposed to variable returns from the subsidiaries; and
- decision making power allows the Group to affect its variable returns from the subsidiaries

All business combinations are accounted for using the acquisition method. The cost of an acquisition is measured at the fair value of the assets given and liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities assumed in a business combination (including contingent liabilities) are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair values of the holding company's share of identifiable net assets acquired is recorded as goodwill.

The consolidated condensed interim financial statements of the Modaraba include the financial statements of the Holding Company or Modaraba and its Subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as the holding company, using consistent accounting policies.

The assets and liabilities of the subsidiaries have been consolidated on a line-by-line basis and the carrying value of investment held by the holding company is eliminated against the subsidiaries' share capital and pre-acquisition reserves in the consolidated condensed interim financial statements. Material intra-group balances and transactions are eliminated, if any.

A change in the ownership interest of the subsidiaries, without a change of control, is accounted for as an equity transaction.

The subsidiary companies are consolidated from the date on which more than 50% voting rights are transferred to the holding company or power to govern the financial and operating policies of the subsidiaries are established and are excluded from consolidation from the date of disposal or cessation of control.

Associates

Associates are all entities over which the Group has significant influence but not control. Investment in associates are accounted for using equity method, whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the associates

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

3.2 Property, plant and equipment

Operating assets

Operating assets, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Disposal of assets is recognized when significant risks and rewards incidental to ownership have been transferred to the buyer. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in profit and loss.

Major components of an item of property, plant and equipment having different useful lives are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Modaraba and the cost of the item can be measured reliably. All other repairs and maintenance are recognized in consolidated condensed interim statement of profit or loss and consolidated condensed interim statement of comprehensive income as and when incurred. Major renewals and improvements are capitalised.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Maintenance and repairs are charged to income in the consolidated condensed interim statement of profit or loss and consolidated condensed interim statement of comprehensive income as and when incurred. Major renewals and improvements are capitalised.

Gains and losses on disposal are recognized in the consolidated condensed interim statement of profit or loss and consolidated condensed interim statement of comprehensive income in the period in which these arise.

Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any. All expenditures incurred during installation and construction period, connected with specific assets, are carried in capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

3.2 Intangible assets and amortisation

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the holding company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested for impairment annually and whenever there is an indication that the value may be impaired is carried at cost less accumulated impairment losses, if any. Impairment losses on goodwill are not reversed.

Other intangible assets

These are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is computed using the straight-line method over the estimated useful lives of the assets at the rate disclosed in these consolidated condensed interim financial statements.

3.3 Trade debts, contract assets and other receivables

Trade debts and other receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognized at fair value. The Modaraba holds trade debts with the objective of collecting the contractual cash flows and, therefore, measures the trade debts subsequently at amortised cost using the effective interest method.

A contract asset is recognized for the Modaraba's right to consideration in exchange for goods or services that it has transferred to a customer. If the Modaraba performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Modaraba presents the amount as a contract asset, excluding any amounts presented as a receivable.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits maintained with banks and short-term highly liquid investments with original maturity of three months or less from the date of acquisition. Running finance facilities availed by the Modaraba, if any, which are repayable on demand and form an integral part of the Modaraba's cash management cycle are included as a part of cash and cash equivalents for the purpose of the consolidated condensed interim statement of cash flows.

3.5 Modaraba certificates

Modaraba certificates are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new certificates or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

3.6 Investments

Investment in subsidiary

"Subsidiaries are entities controlled by the Modaraba. The Modaraba controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investment in subsidiary is initially recognized at cost, which is the fair value of the consideration paid on acquisition of the subsidiary. At subsequent reporting date, recoverable amounts are estimated to determine the extent of impairment loss, if any, and carrying amount of investment is adjusted accordingly. Impairment losses are recognized as an expense in profit or loss. Where impairment loss subsequently reverses, the carrying amount of investment is increased to its revised recoverable amount but limited to the extent of initial cost of investment. Reversal of impairment losses are recognized in the profit or loss.

The profits and losses of subsidiaries are carried forward in their financial statements and not dealt within these consolidated condensed interim financial statements except to the extent of dividend declared by the subsidiaries which are recognized in other income. Gains and losses on disposal of investment is included in other income, if any. When the disposal of investment in subsidiary resulted in loss of control such that it becomes an associate, the retained investment is carried at cost."

Investment in associate

"Associates are entities in which the Modaraba has significant influence but not control over the financial and operating policies. Investments in associates are initially recognized at cost. At subsequent reporting date, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as expense in the profit or loss. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the profit or loss.

The profits and losses of associates are carried forward in their financial statements and not dealt within these consolidated condensed interim financial statements except to the extent of dividend declared by the associates which are recognized in other income. Gains and losses on disposal of investment is included in other income."

3.7 Borrowings

Borrowings are recognized initially at fair value net of attributable transaction costs incurred and are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated condensed interim statement of profit or loss and consolidated condensed interim statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Modaraba has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

3.8 Staff retirement benefit

The Modaraba operates an un-approved / unfunded defined benefit gratuity scheme for all permanent employees who have completed the minimum qualifying period of service of one year. The Modaraba's net obligation in respect of unfunded gratuity scheme is calculated by estimating the amount of future benefits the employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. The calculation is performed annually by a qualified actuary using the Projected Unit Credit method. Remeasurement gains / losses are recognized in consolidated condensed interim statement of comprehensive income.

3.9 Trade and other payables

These are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method. Exchange gains and losses arising in respect of liabilities denominated in foreign currencies are adjusted against the carrying amounts of the respective liabilities.

3.10 Provisions

Provisions are recognised when the Modaraba has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.11 Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3.12 Financial instruments

Financial assets

The Modaraba classifies its financial assets in the following measurement categories in accordance with IFRS 9 based on the Modaraba's business model for managing the financial assets and the contractual terms of the cash flows:

(i) At amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in consolidated condensed interim statement of profit or loss.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

(ii) Fair value through other comprehensive income

Financial assets at fair value through consolidated condensed interim statement of comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through consolidated condensed interim statement of comprehensive income or assets that are designated at fair value through consolidated condensed interim statement of profit or loss using fair value option, are measured at fair value through consolidated condensed interim statement of profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through consolidated condensed interim statement of profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in consolidated condensed interim statement of profit or loss. Dividends from such investments continue to be recognised in consolidated condensed interim statement of profit or loss when the Modaraba's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in consolidated condensed interim statement of comprehensive income there is no subsequent reclassification of fair value gains and losses to consolidated condensed interim statement of profit or loss following the derecognition of the investment.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Modaraba commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Modaraba has transferred substantially all the risks and rewards of ownership. At initial recognition, the Modaraba measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the consolidated condensed interim statement of profit or loss.

Financial liabilities

Financial liabilities are recognised at the time when the Modaraba becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through consolidated condensed interim statement of profit or loss are initially recognised at fair value and transaction costs are expensed in consolidated condensed interim statement of profit or loss. Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in consolidated condensed interim statement of profit or loss.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the consolidated condensed interim statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Modaraba or the counterparty.

3.13 Impairment

Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised as an expense in the consolidated condensed interim statement of profit or loss and consolidated condensed interim statement of comprehensive income. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

Impairment of financial assets

The Modaraba recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For financial assets other than trade debts, the Modaraba recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial assets has not increased significantly since initial recognition, the Modaraba measures the loss allowance for that financial asset at an amount equal to 12-month ECL under IFRS 9.

The Modaraba measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Modaraba recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

3.14 Contingencies

The assessment of contingencies inherently involves the exercise of significant judgement as the outcome of future events cannot be predicted with certainty. The Modaraba, based on availability of latest information, estimates the value of contingent liabilities, which may differ on the occurrence / non-occurrence of uncertain future event(s).

3.15 Revenue recognition

Revenue from sales of goods or services is recognized when the goods have been delivered and services are performed i.e. when the Modaraba has satisfied its performance obligation under the contract.

3.16 Other income

Return on bank deposits and short term investments is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

3.17 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred, except, where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs.

3.18 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupee equivalents using the exchange rates at the reporting date. Non-monetary assets and liabilities are stated using exchange rates that existed when the values were determined. Exchange differences on foreign currency transactions and translations are included in the consolidated condensed interim statement of profit or loss and consolidated condensed interim statement of comprehensive income.

3.19 Transactions with related parties

Sales, purchases, services and other transactions with related parties are carried out on terms and conditions agreed between the parties.

**December 31,
2024**
— Rupees —

4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	4.1	574,955,165
Capital work-in-progress	4.2	62,138,768
		<hr/> <hr/> <hr/> 637,093,933

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

4.1 Operating Fixed Assets

	Dec 31 2024			
	Plant & Machinery	Furniture & Fixtures	IT Equipment	Office Equipment
				Total
Net book value as at July 1, 2024	589,814,746	983,563	8,637	573,346
Additions during the period	-	-	403,614	-
Depreciation for the period	(16,308,242)	(282,953)	(56,362)	(181,184)
Net book value as at December 31, 2024	573,506,504	700,610	355,889	392,162
Balance as at July 1, 2024				
Cost	652,329,673	2,263,625	2,994,385	1,449,471
Accumulated depreciation	(78,823,169)	(1,563,015)	(2,638,496)	(1,057,309)
Balance as at December 31, 2024	573,506,504	700,610	355,889	392,162
Rate of depreciation per annum	5%	25%	33%	25%

4.2 Capital Work in progress

	As at July 1, 2024	Additions	As at December 31, 2024
	Rupees		
Project development	38,960,157	16,013,033	54,973,190
Office renovation	7,165,578	-	7,165,578
	46,125,735	16,013,033	62,138,768

Project Development

Travelling, hotel and legal	1,384,201	-	1,384,201
Project staff salaries and others	33,561,963	15,613,033	49,174,996
Agency fees	2,255,000	400,000	2,655,000
Other administration cost	1,758,993	-	1,758,993
	38,960,157	16,013,033	54,973,190

December 31,
2024
Note _____
Rupees _____

5. LONG TERM INVESTMENTS Investments held at cost

In associated company (Unquoted) JPL Holding PTE Limited - JPLH	5.1	572,180,000
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NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

5.1 Investment in JPLH - at cost

JPL Holding Pte Ltd (the "Associated"), a Company incorporated and domiciled in the Republic of Singapore. The registered office and principal place of business of the Company is located at 9 Straits View #06-07, Marina One West Tower, Singapore 018937. The principal activity of the Company is that of investment holding.

December 31,

2024

Rupees

6. PREMILINARY EXPENSES AND FLOATATION COSTS

Additions during the period	46,594,557
Amortization Charge for the period	(740,406)
	<u>45,854,151</u>

7. RIGHT OF USE ASSETS

Opening written down value	8,319,348
Depreciation charged during the period	(1,598,835)
Balance as at December 31	<u>6,720,513</u>
Depreciation rates	<u>20% - 33%</u>

8. OTHER RECIEVABLES

Sales tax refundable	35,054,067
Staff loan	297,250
Bid fee	50,000
Accrued Income	1,664,177
	<u>37,065,494</u>

9. TAXATION - NET

Balance as at July 1, 2024	489,126
Withholding income tax	10,433,985
Tax charge for the period	(9,610,918)
Balance as at December 31, 2024	<u>1,312,193</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

10. SHORT TERM INVESTMENTS

Investment in mutual funds - at fair value

December 31, 2024		December 31, 2024	
		Cost	Fair value
		— Rupees —	— Rupees —
— (Number of units) —			
480,699	Meezan Rozana Amdani Fund	17,000,000	42,730,337
424,578	Meezan Daily Income Fund	17,000,000	22,604,287
		<u>34,000,000</u>	<u>65,334,624</u>

December 31,
2024
Note — Rupees —

11. CASH AND BANK BALANCES

Cash at bank

- Saving accounts - local currency
- Current accounts - local currency

11.1	180,183,890
	28,551,146
	<u>208,735,036</u>

11.1 Represents local currency deposits carrying return at the average rate of 10% per annum.

12. CERTIFICATES CAPITAL

Authorized certificates capital

December 31, 2024		December 31, 2024	
— Number of Certificates —		— Rupees —	
100,000,000	Modaraba certificates of Rs. 10 each	1,000,000,000	

12.1 As at December 31, 2024, the Certificates holders, including its nominees, held the entire issued, subscribed and paid-up capital of the Modaraba.

Issued, subscribed and paid-up capital

December 31, 2024		December 31, 2024	
— Number of Certificates —		— Rupees —	
79,111,960	Modaraba certificates of Rs. 10 each - other than cash	791,119,600	
20,888,040	Modaraba certificates of Rs. 10 each - fully paid in cash	208,880,400	
<u>100,000,000</u>		<u>1,000,000,000</u>	

12.2 Each certificate carries one voting right and right to dividend.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

13. LONG TERM FINANCING - SECURED

During the year 2022, the Subsidiary availed long term financing facilities under two separate agreements for setting up 5 MW and 2 MW solar power plants, amounting to Rs. 407 million and Rs. 173 million respectively, from M/s. Meezan Bank Limited and Pak Kuwait Investment Company Limited. The facilities are secured by way of hypothecation of 5 MW and 2 MW solar plants and machinery, assignment of rights, benefits and receivables under the project insurance/takaful, exclusive lien and rights of set off over the project accounts, pledge of Company's shares and personal guarantees of directors.

The common principal terms and conditions of the facilities are as follows:

- a) The tenure of each tranche of both facilities is 10 years (including six months grace period commencing from the date of the disbursement of funds)
- b) Each tranche of the loan is to be repaid in 38 equal quarterly instalments, starting from December 2022.
- c) Profit (rental) is repayable on quarterly basis from the next quarter of draw down.

**December 31,
2024**

—— Rupees ——

13.1 5 MW Plant

Balance at July 1	332,045,964
Less: Repayment during the period	(21,422,320)
Balance at 31 December	310,623,644
Less: Current portion of long term loan	(42,844,640)
	<u>267,779,004</u>

The 5 MW facility has been availed under State Bank of Pakistan (SBP's) Financing Scheme for Renewable Energy notified vide IH & SMEFD Circular No. 12 of 2019 dated July 26, 2019, and carries fixed profit rate of 5.88% per annum.

13.2 2 MW Plant

Balance at July 1	141,201,553
Less: Repayment during the period	(9,109,780)
Balance at 31 December	132,091,773
Less: Current portion of long term loan	(18,219,560)
	<u>113,872,213</u>

The 2 MW facility carries profit at base rate of 3 month KIBOR plus 2% per annum.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

Note	December 31, 2024
	—— Rupees ——

14. LEASE LIABILITY

Opening balance	4,147,439
Interest on unwinding of the liability	600,944
Repayments during the period	(1,569,629)
	<hr/>
Less: current maturity shown under current liabilities	3,178,754
	<hr/>
	(2,186,744)
	<hr/>
	992,010
	<hr/>

15. LONG TERM DEPOSIT

Security deposit	15.1	32,801,694
		<hr/>

- 15.1 This represent security deposit obtained from PCL equivalent 3 (three) months' expected electricity revenue to be generated from the project in accordance with SBP guidelines and deposit made for fleet fuel cards.

16. DUE TO RELATED PARTIES

Burj Modaraba Management Company (Private) Limited	16.1	48,977,991
Burj Wind Energy (Private) Limited		21,219,011
Management Company's remuneration	21	362,558
		<hr/>
		70,559,560
		<hr/>

- 16.1 These represent unsecured and interest-free balances with related parties, paid for meeting expenses, and are repayable on demand and/or convertible to issued, subscribed and paid-up share certificates.

17. TRADE AND OTHER PAYABLES

Accrued expenses	3,021,215
Other payables	1,301,555
Sindh Workers' Welfare Fund	17.1
	<hr/>
	65,260
	<hr/>
	4,388,030
	<hr/>

- 17.1 This represents the provision for Sindh Workers' Welfare Fund recognized in the respective of financial period. The provision has been computed at the rate of 2% of declared taxable income or accounting profit of the Modaraba, whichever is higher, as notified under the Sindh Workers' Welfare Fund Act, 2014 promulgated in June 2015.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

18. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2024

Note		For the period from July 1, 2024 to December 31, 2024
		—— Rupees ——

19. REVENUE

19.1	Service revenue	85,348,757
	Sales tax on services	<u>(11,132,449)</u>
		<u>74,216,308</u>

20. ADMINISTRATIVE EXPENSES

Depreciation	18,427,576
Ammortization	740,406
Salaries and allowances	6,356,789
Insurance	2,245,800
Petrol and diesel	314,220
Office expense	1,336,029
Medical expense	47,291
Water and electricity expenses	869,331
Advertisement and publicity	513,715
Auditors' remuneration	20.1
Legal and professional fee	462,500
Fee and subscription	150,000
Bank charges	214,030
Building maintenance charges	8,060
Printing and stationary	421,770
Repair and maintenance	100,530
Travelling and conveyance	221,738
	<u>93,860</u>
	<u>32,523,645</u>

20.1 Auditors' remuneration

Audit fee	362,500
Half yearly review	<u>100,000</u>
	<u>462,500</u>

21. MANAGEMENT COMPANY'S REMUNERATION

Management Company's remuneration	362,558
	<u>362,558</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

- 21.1 The Modaraba Management Company is entitled to a remuneration for services rendered to the Modaraba only under the provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 up to a maximum of 10% per annum of the net annual profits of the Modaraba.

	Note	For the period from July 1, 2024 to December 31, 2024
		—— Rupees ——
22. FINANCIAL CHARGES		
Markup on long term finance		23,708,598
Finance charges on lease		<u>600,944</u>
		24,309,542
23. OTHER INCOME		
Other income		7,755,400
Bargin purchase on acquisition	23.1	<u>12,051,685</u>
		19,807,085
23.1 Bargain Purchase on acquisition		
Fair value of consideration paid		218,939,600
Fair Value of Non-Control Interest		-
Total Assets		779,578,580
Total Liabilities		(548,587,295)
Goodwill generated		<u>(12,051,685)</u>
In accordance with accounting standards The Modaraba has Concluded a Bargain Purchase from the acquisition of Burj Solar Energy (Private) Limited ("the Subsidiary"), which occurs when the fair value of net identifiable assets exceeds the purchase price, this has been recorded as an immediate gain in the income statement, impacting our financial performance for the period.		
24. LEVIES		
Minimum tax under Income Tax Ordinance, 2001.		<u>8,683,567</u>
25. TAXATION		
Current		927,351
Deferred	25.1	<u>-</u>
		927,351

As of the reporting date there were no material temporary differences, therefore, no deferred tax has been recognized in these consolidated condensed interim financial statements.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

26. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Board of Directors of the Modaraba Management Company has overall responsibility for the establishment and oversight of the Modaraba's risk management framework. The Modaraba has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

26.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Modaraba's internal credit management purposes, a financial asset is considered as defaulted when it is past due for 90 days or more.

The Modaraba writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

(i) Exposure to credit risk

The carrying amount of financial assets represent the maximum credit exposure. Credit risk of the Company arises principally from the trade debts, deposits, other receivables bank balances and instruments in hand, if any. The maximum exposure to credit risk at the reporting date was:

**December 31,
2024**

— Rupees —

Trade receivables	16,099,225
Due from a related party	1,232,560
Other receivables	37,065,494
Short term investments	65,334,624
Bank balances	208,735,036
	<hr/>
	328,466,939

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

Bank balances

The Modaraba limits its exposure to credit risk by maintaining bank accounts only with counterparties that have a good credit rating. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations. There are no indicators of impairment as the counter parties have reasonably high credit ratings as mentioned below:

Name of bank / financial institutions	Rating agency	Rating	
		Short-term	Long-term
Bank Islami Pakistan Limited	PACRA	A1	AA-
Meezan Bank Limited	VIS	A1+	AAA

26.2 Liquidity risk

Liquidity risk is the risk that the Modaraba will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of adequate funds through committed credit facilities. The Modaraba finances its operations through equity and borrowings with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

31 December 2024	Due				
	Contractual cashflows	Within 1 year	Between 1 to 5 years	Later than 5 years	Total
Long term financing - secured	442,715,417	61,064,200	244,256,784	137,394,433	442,715,417
Lease liability	3,178,754	2,186,744	992,010	-	3,178,754
Security deposit	32,801,694	-	-	32,801,694	32,801,694
Due to related parties	70,559,560	70,559,560	-	-	70,559,560
Trade and other payables	4,388,030	4,388,030	-	-	4,388,030
	553,643,455	138,198,534	245,248,794	170,196,127	553,643,455

26.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Modaraba incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board.

Market risk management is further analysed in three categories:

- (a) Interest rate risk management
- (b) Currency risk management
- (c) Price risk management

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

(a) Interest rate risk management

The interest rate risk is the risk that the fair value of the financial instrument will fluctuate due to the changes in the market interest rates. Sensitivity to the interest rate risk arises from mismatch of financial assets and liabilities that mature in a given period.

Profile

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	Carrying amount	Interest rate (per annum)
	December 31, 2024	
	Rupees	%
Variable rate instruments at carrying amount		
Financial assets		
Bank balances - local currency	208,735,036	4% - 10%
Financial liabilities		
Long term financing - secured	442,715,417	5.88% - 23.99%

Sensitivity analysis

The Modaraba does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate will not affect the carrying amount of any financial instrument.

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

December 31,

2024

—— Rupees ——

27. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per statement of financial position:

- **At amortized cost**

Trade receivables	16,099,225
Due from a related party	1,232,560
Other receivables	37,065,494
Short term investments	65,334,624
Bank balances	208,735,036
	<hr/>
	328,466,939

Financial liabilities as per statement of financial position:

- **At amortized cost**

Long term financing - secured	442,715,417
Lease liability	3,178,754
Security deposit	32,801,694
Due to related parties	70,559,560
Trade and other payables	4,388,030
	<hr/>
	553,643,455

28. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

As at December 31, 2024, the fair values of all assets and liabilities reflected in the financial statements approximate their carrying amounts.

29. CAPITAL RISK MANAGEMENT

The Modaraba's objective when managing capital, is to safeguard the Modaraba's ability to provide return to shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its business. The Board regularly monitors the capital structure of the Modaraba by ensuring that appropriate capital is injected and manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. There were no changes to the Modaraba's approach to capital management during the year and the Modaraba is not subject to externally imposed capital requirements.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

The Modaraba manages its capital structure by making adjustments to it in the light of changes in economic conditions. To manage its capital structure, the Modaraba may issue shares or use dividend policy to influence the retention rate.

The management closely monitors the return on capital along with the level of distribution to certificate holders. Following is the quantitative analysis of what the Modaraba managers as capital:

	December 31, 2024
	—— Rupees ——
Certificate holders' equity	
- issued, subscribed and paid up capital	1,000,000,000
Total capital managed by the Modaraba	<u>1,000,000,000</u>

Chief Financial Officer

30. EARNING PER CERTIFICATE - Basic and diluted

30.1 Basic earning per certificate

Profit after taxation	37,984,274
	—— Numbers ——
Weighted average number of certificates outstanding	100,000,000
	—— Rupees ——
Earning per certificate - basic	0.38

30.2 Diluted earnings per certificate

There is no diluted effect on the basic earnings per certificate of the Modaraba, since there were no potential certificates in issue as at December 31, 2024.

31. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Parent Company, holding companies, ultimate Parent Company, associated companies, directors, key management personnel, entities with common directors and entities over which directors are able to exercise influence.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 1, 2024 TO DECEMBER 31, 2024

- 31.1 Details of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

**December 31,
2024**

— Rupees —

Transactions with:

Burj Modaraba Management Company (Private) Limited

Expenses paid on behalf of the group	61,021,092
Repayments / settled	(44,730,660)
Advance for expenses	26,971,216

Burj Wind Energy (Private) Limited

Expenses paid on behalf of	110,625
Repayments / settled	4,011,360

- 31.2 Transactions with related parties are carried out on agreed terms and conditions.

32. COMPARATIVES

Corresponding figures of the subsidiary have been rearranged and reclassified, wherever necessary, for the purpose of comparison, the effects of which are not material.

33. ROUNDING OFF

Figures have been rounded off to the nearest Pakistan Rupees unless otherwise stated.

34. DATE OF APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors of the Modaraba Management Company in their meeting held on February 26, 2025.



Chief Executive Officer



Director



Director



Chief Financial Officer



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