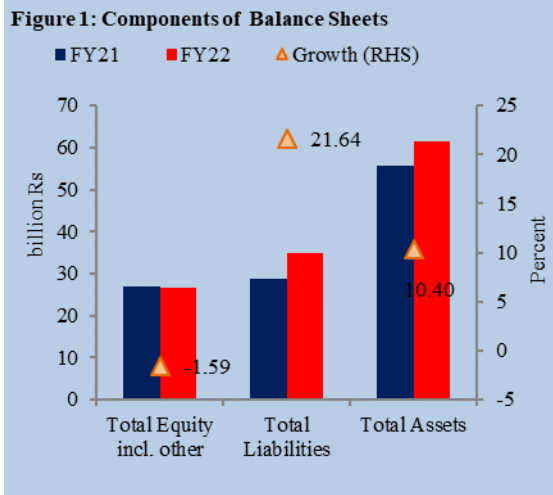


## 6. Modaraba Companies

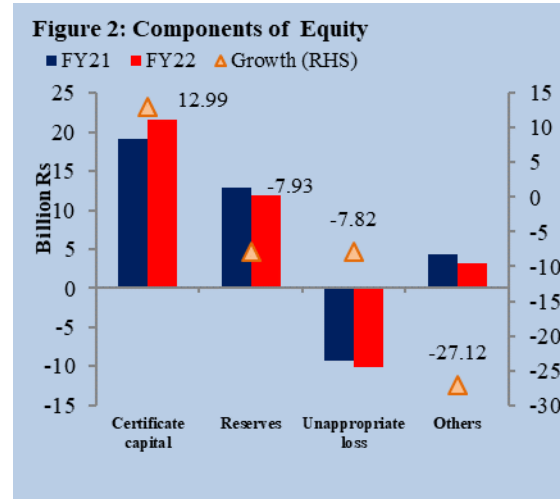
### Performance at a Glance

Total assets of the sector increased to Rs 61.49 billion in FY22, showing a growth of 10.40 percent. These accumulation of assets is solely financed by the liabilities, which increased by 21.64 percent in FY22. The equity (including others) decreased by 1.59 percent during FY22 (Figure 1). In terms of operational performance, profit before and after taxation increased YoY by 65.73 percent and 18.19 percent respectively in FY22.



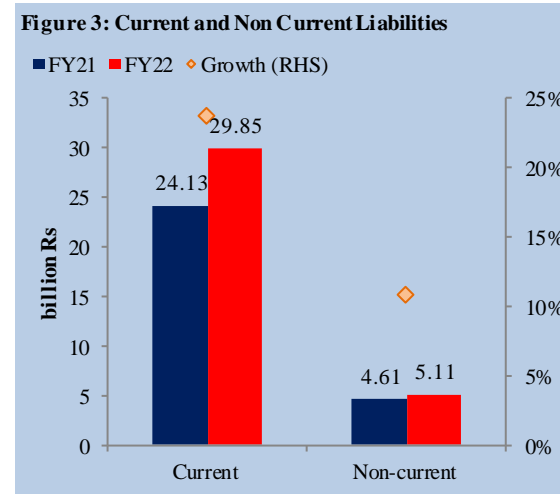
### Equity

The breakup of equity reveals that capital certificate of sector (which constituted 92.43 percent share of total equity in FY22) increased during the year, recording a growth of 12.99 percent. In contrast, Reserves showed a decline of 7.93 percent during the year and decreased to Rs 11.85 billion in FY22. Besides, Un-appropriated loss increased by 7.82 percent on YoY basis and Others part of shareholders' equity also decreased by 27.12 percent (Figure 2).



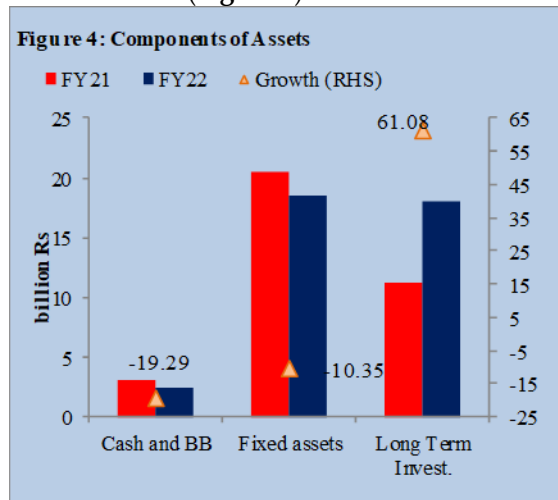
### Liabilities

The total liabilities stood at Rs 34.97 billion in FY22, showing an increase of Rs 6.22 billion in FY22 (Figure 3). The current liabilities constituted 85.37 percent share in total liabilities in FY22, reaching Rs 29.85 billion with a growth of 23.70 percent.



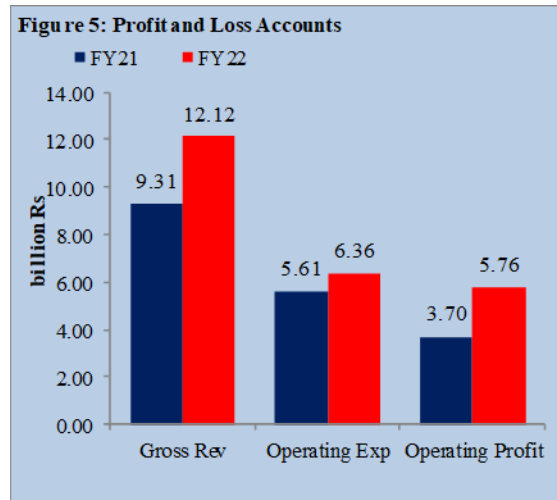
### Assets

The overall growth in the assets came primarily from non-current assets during FY22, owing to 61.08 percent increase in long-term investments that reached Rs 18.10 billion in FY22. However, 10.35 percent decline in fixed assets neutralized the impact of growth in long-term investments. The current assets grew by 2.12 percent during FY22, reaching Rs 23.39 billion from Rs 22.90 billion in FY21 (Figure 4).



### Profitability and Operating Efficiency

Gross revenue of the sector increased to Rs 12.12 billion in FY22 from Rs 9.31 billion in FY21, recording a YoY growth of 30.14 percent. Simultaneously, operating expenses increased by 13.44 percent during FY22 and reached Rs 6.36 billion from Rs 5.61 billion in FY21. Consequently, operating profit of the sector increased to Rs 5.76 billion in FY22 from Rs 3.70 billion in FY21 witnessing a YoY growth of 55.72 percent (Figure 5).



In terms of efficiency indicators, ROA, ROE and ROCE witnessed improvement in FY22 with respect to FY21. For instance, ROA improved to 2.34 percent in FY22 from 2.19 percent in FY21. ROE stood at 6.16 percent whereas it was 5.38 percent in FY21. Also, ROCE improved to 7.06 percent in FY22 from 4.27 percent in FY21 (Figure 6).

