



ANNUAL REPORT

2023-24

Holding the Line:
Navigating a Year of Challenge



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“Holding the Line: Navigating a Year of Challenge”

Thardeep Microfinance Foundation – TMF
[A Company set up under Section 42 of the Companies Act, 2017]

“Harnessing innovation to bridge the gap.”

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ACRONYMS

ADC – Alternative Delivery Channels

AI – Artificial Intelligence

BoD – Board of Directors

CEO – Chief Executive Officer

CNIC – Computerized National Identity Card

DFS – Digital Financial Services

DFID – Department for International Development

ERP – Enterprise Resource Planning

ESG – Environmental Social Governance

ESMS – Environmental Social Management System

FBR – Federal Board of Revenue

GLP – Gross Loan Portfolio

GM – General Manager

HBR – Harvard Business Review

HR – Human Resource

IAS – International Accounting Standards

IBL – Individual Business Loans

ICAP – Institute of Chartered Accountants of Pakistan

ICT – Information & Communication Technology

IFRS – International Financial Reporting Standards

IT – Information Technology

KYC – Know Your Customer

LUMHS – Liaquat University of Medical and Health Sciences

MCB – Muslim Commercial Bank

MIS – Management Information System

NBFC – Non-Banking Financial Company

NPL – Non-Performing Loans

OLP – Outstanding Loan Portfolio

PACRA – Pakistan Credit Rating Agency

PAR – Portfolio at Risk

PIPFA – Pakistan Institute of Public Finance Accountants

PMIC – Pakistan Microfinance Investment Company

PMN – Pakistan Microfinance Network

PMRC – Pakistan Mortgage Refinance Company

RE – Renewable Energy

ROA – Return on Assets

SAZ – Sindh Arid Zones

SBP – State Bank of Pakistan

SECP – Securities and Exchange Commission of Pakistan

SDGs – Sustainable Development Goals

SRSO – Sindh Rural Support Organization

TPL – TPL Life Insurance

TRDP – Thardeep Rural Development Programme

UBL – United Bank Limited

UN – United Nations

UNICEF – United Nations International Children's Emergency Fund

USAID – U.S. Agency for International Development

Table of CONTENTS:

1	EXECUTIVE SUMMARY	02	10	ANNUAL PERFORMANCE HR, INTERNAL AUDIT, IT, COMPLIANCE, MRD, ADMINISTRATION	23
2	CHAIRMAN'S MESSAGE	03	11	FINANCIAL PERFORMANCE & HIGHLIGHTS	33
3	CEO'S REPORT	04	12	TRACING THE DROP	35
4	CORPORATE STRUCTURE AND GOVERNANCE	05	13	STAKEHOLDER ENGAGEMENT	39
5	ABOUT TMF	09	14	CLIENT STORIES	39 - 40
6	OUR LOAN PRODUCTS	12	15	FUTURE OUTLOOK & STRATEGIC PLAN	44
7	MANAGEMENT TEAM	17	16	ACKNOWLEDGMENTS & CLOSING REMARKS	48
8	STRATEGIC GOALS & INITIATIVES	21	17	APPENDICES & SUPPORTING DOCUMENTS	50
9	SUSTAINABILITY AND ESG INITIATIVES	22	18	DIRECTOR REPORT	56



EXECUTIVE SUMMARY

During the period from 2023 to 2024, Thardeep Microfinance (TMF) continued to address the challenges arising from the COVID-19 pandemic and the 2022 floods. The management of its loan portfolio, especially the recovery of rescheduled loans, continued to be a significant concern.

During the fiscal year 2023-2024, the company encountered several challenges. Revenue decreased by 9%, primarily due to liquidity issues and obstacles arising from the disaster. While there were attempts to reduce costs, the aimed cost efficiency goals did not produce significant results. Operational efficiency showed an 88% decline in loan recoveries and a 5% increase in overdue loans. Furthermore, the organization reported that 21% of the workforce had to leave their positions, and the suspension of investments in workforce skill development led to decreased employee satisfaction and engagement.

By June 2023, loan recovery had reached 90%, with delays primarily due to the livestock loan portfolio and earlier issues, including the pandemic and floods. The Annual Report includes audited financial statements for the fiscal year ending June 30, 2024. For the fiscal year concluding on June 30, 2024, Thardeep Microfinance (TMF) has

disclosed the following significant financial outcomes:

In the fiscal year 2023 - 2024, the company recorded total income of Rs. 1,144 million, representing a 9% decrease from the previous year. This decline was due to reduced disbursements resulting from liquidity constraints. Expenses increased by 4.08%, totaling Rs. 1,730 million, primarily driven by operational costs, salaries, and provisions for bad debt. The company reported a net loss of Rs. 255.90 million. However, the audited financial statements showed no adverse remarks and complied with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and the Companies Act of 2017.

The TMF's Board of Directors, together with its three subcommittees, supervises financial planning, field operations, and reporting activities. The Audit Committee provides independent oversight of the Finance Department, which collaborates closely with management, banking institutions, and other key stakeholders.



2

CHAIRMAN'S MESSAGE

Dr. Naseer Muhammad Nizamani

Chairman,

Thardeep Microfinance Foundation

Dear Stakeholders,

As we look back on the fiscal year 2023–2024, it's clear that Thardeep Microfinance Foundation (TMF) encountered some tough challenges. The lingering effects of COVID-19 and the 2022 floods presented significant challenges for our operations, clients, and the communities we serve. These challenging times have truly tested the resilience of both our institution and our borrowers, who continue to navigate daily uncertainties. The economic ripple effects have influenced how we manage our loan portfolios, the recovery of rescheduled loans, and our performance goals. Even with our dedicated efforts, recovering from rescheduled loans remains a significant concern for us.

Despite challenging circumstances, TMF remains committed to its mission of delivering accessible, inclusive, and sustainable financial services to underserved communities. We have made crucial decisions to streamline operations, optimize resources, and reassess strategies. This process included refining our internal audit procedures, strengthening compliance, and maintaining follow-up with clients.

Over the years, we focused on our people—our most valuable asset! While training opportunities were somewhat limited, our committed teams demonstrated

professionalism in service delivery. The minor decrease in staff turnover reflects our enhanced HR practices and a more supportive work environment.

We reiterated our dedication to governance and financial transparency. The Board of Directors and its sub-committees actively monitor our economic health, manage risks, and formulate strategies. We take pride in our audited financial statements, which are entirely compliant, reflecting our commitment to integrity and transparency.

Although TMF reported a net financial loss this year, we consider it within the broader socio-economic context. The insights gained will empower us to formulate more effective strategies moving forward. We are seeing encouraging signs of recovery and are hopeful that revitalized partnerships and innovative technologies will allow TMF to enhance its impact.

I sincerely thank our staff, loyal clients, supportive partners, my team of esteemed directors, and dedicated supporters. Our determination and belief in our vision motivate us to seize future opportunities and strive for a more inclusive and equitable society.



3

CEO'S REPORT

Sono Khangharani
Chief Executive Officer

Dear Stakeholders,
I'm delighted to present TMF's Annual Report for the fiscal year 2023-2024. This report highlights a year of stagnation, as we skillfully navigated a challenging transition into change management, reflecting our resilience and commitment to financial inclusion.

Over the years, we have reflected on our past mistakes while remaining committed to our primary mission: identifying gaps, refining our operational framework, and equipping borrowers with financial literacy and essential services. We encountered difficulties in rehabilitating clients affected by past disasters and in assessing the capabilities of our field staff. Our approach evolved to prioritize women borrowers with valid documentation, advocating for them as entrepreneurs, agriculturalists, and leaders.

Despite market challenges such as inflation and hesitant investments in microfinance, we have achieved improvements in both economic performance and operational excellence. Our digital, paperless platform enables clients to conveniently access services, reducing operational costs and improving access to community banking.

Our social impact extends beyond financial metrics alone. Through our financial literacy initiatives, we have educated 160 individuals, empowering them to make

informed financial decisions. Our loan products have backed 702,104 sustainable businesses, promoting both conservation and economic opportunities.

Looking Ahead: We remain committed to innovation and sustainable growth. Our priorities include:

- **Expanding our digital infrastructure**
- **Enhancing our Environmental Social Management System (ESMS)**
- **Creating new products to meet evolving client needs**
- **Building institutional capacity by enhancing employee skills**

I am grateful for our committed staff and extend my thanks to our board members for their invaluable support. The trust we receive from our partners and investors fuels our mission. Most importantly, the resilience and achievements of our clients motivate us. We are dedicated to a more inclusive financial future, one community at a time.

4

CORPORATE STRUCTURE & GOVERNANCE

Board of Directors:

- Dr. Naseer Muhammad Nizamani (*Chairman*)
- Ms. Sabiha Shah (*Director*)
- Dr. Khadim Hussain Lakhiaar (*Director*)
- Dr. Allah Nawaz Samoo (*Director*)
- Ms. Samia Liaquat Ali Khan (*Director*)
- Ms. Yasmin Hyder (*Director*)
- Dr. Muhammad Qasim Rahopota (*Director*)
- Dr. Sono Khangharani (*Ex-officio*)

Management Team:

- Dr. Sono Khangharani (*Chief Executive Officer*)
- Dr. Ghulam Rasool Samejo (*Head of Strategy & Business Development*)
- Mr. Muhammad Farhan Lakho (*General Manager, Finance*)
- Mr. Narumal (*Senior Manager HR*)
- Mr. Asmat Ali (*Head of Internal Audit*)
- Mr. Ghulam Ali (*Head of IT*)
- Mr. Mukesh Kumar (*Sr. Manager, Recovery and Transaction Unit*)
- Mr. Narendhar Samerani (*Senior Manager Finance*)
- Mr. Arslan Ahmed Manzoor (*Manager, Risk & Compliance*)
- Ms. Yasmeen Ali Kapri (*Manager Administration Logistic & Legal*)
- Mr. Teerath Das Essrani (*Manager Payroll*)
- Mr. Imran Khoso (*Manager of Monitoring & Research*)

Board Committees

● Audit, Governance, and Risk Management

- Dr. Khadim Hussain Lakhiaar (*Chair*)
- Ms. Sabiha Shah (*Member*)
- Dr. Muhammad Qasim Rahopota (*member*)

HR & Remuneration Committee

- Ms. Yasmin Hyder (*Chair*)
- Ms. Samia Liaquat Ali Khan (*Member*)

General Body:

- Dr. Naseer Muhammad Nizamani (*Chairman*)
- Ms. Sabiha Shah
- Dr. Khadim Hussain Lakhiaar
- Dr. Allah Nawaz Samoo
- Ms. Samia Liaquat Ali Khan
- Ms. Yasmin Hyder
- Dr. Muhammad Qasim Rahopota

Bankers

- Habib Bank Limited
- MCB Bank Limited
- National Bank of Pakistan
- JS Bank Limited
- EasyPaisa Bank (Telenor Microfinance Bank)
- Allied Bank Limited
- Mobilink Microfinance Bank Limited
- Bank of Punjab
- Bank Al-Habib
- United Bank Limited

Debt Partners

- State Bank of Pakistan
- Pakistan Microfinance Investment Company
- Habib Bank Limited
- MCB Bank Limited
- Thardeep Rural Development Program
- Roshan Khushal Organisation

Network Partners

- Pakistan Microfinance Network

Social Media Presence

- Facebook: [thardeepmicrofinancefoundation](#)
- LinkedIn: [thardeepmfp](#)
- YouTube: www.youtube.com/thardeepmf

Insurance Partners

- EFU Life Assurance
- TPL Insurance

Company Secretary:

- Mr. Bhurji Waghani

Auditors: Crowe Hussain Chaudhury & Co. Chartered Accountants.

Legal Advisor: M/s Azam Choudhary Law Associates.

Tax Advisor: EY Ford Rhodes Chartered Accountants.

Registered Office: Near Old Naka, Naukot Road, Mithi District Tharparkar, Sindh, Pakistan.

Tel: (+92-232) 261237, (+92-232) 261250

Website: www.tmf.org.pk

BOARD OF DIRECTORS



Dr. Naseer Muhammad Nizamani
Chairman

Dr. Naseer Muhammad Nizamani possesses an extensive and distinguished background in program management, research, and health systems training, both within national and international contexts. He is a qualified Public Health Physician, holding a medical degree from Pakistan, a degree in public health from Harvard University, and a degree in Rural Development from Pakistan. With over 24 years of experience, Dr. Nizamani has collaborated with esteemed organizations including Aga Khan University in Pakistan, the Ministry of Health of the Government of Pakistan, Save the Children, and UNICEF.



Ms. Sabiha Shah
Director

Ms. Sabiha Shah is a highly educated woman with dynamic leadership qualities who emerged from Lyari, the oldest slum and the mother city of Karachi. She has become a passionate advocate for the rights of marginalized and overlooked women, dedicated to eliminating gender bias.



Dr. Khadim Hussain Lakhia
Director

Dr. Khadim Hussain Lakhia is a qualified professional with an MBBS degree. Throughout his remarkable career, he has held significant positions that showcase his expertise. He served as the Executive District Officer of Health in the Government of Sindh Health Department, where he made a positive impact. Following that, he took on the role of Administrator at LUHMS Jamshoro. In addition to his professional achievements, Dr. Lakhia is a dedicated social worker who has engaged with communities in the rural areas of Sindh, making a meaningful difference in their lives.



Dr. Allah Nawaz Samoo

Director

Mr. Allah Nawaz Samoo serves as the Chief Executive Officer of the Thardeep Rural Development Program (TRDP), bringing over 20 years of experience in senior leadership positions. His extensive experience spans the development sector, corporate sector, and government organizations nationwide. Mr. Samoo is particularly skilled at fostering and managing public-private partnerships, as well as championing a 'community-driven-development' approach that truly engages communities in the process.



Dr. Muhammad Qasim Rahopota

Director

Dr. Muhammad Qasim Rahopota is an incredibly accomplished medical professional, bringing a wealth of experience from both academic and practical settings. With a strong educational background that includes an MBBS from the University of Sindh at Chandka Medical College and an MD (Doctor of Medicine) from Liaquat University of Medical and Health Sciences, he has solidified his expertise in General Medicine.



Ms. Yasmin Hyder

Director

Yasmin Hyder brings an impressive 33 years of work experience in areas such as marketing, Business Development, Gender and Trade, Corporate Governance, Communications, and Global Knowledge events, collaborating with both local and international organizations. Her passion is evident in her dedication to empowering human resources and fostering an inclusive and diverse environment. She actively supports initiatives that inspire economic transformation, peace-building, and global integration. Currently, Yasmin serves as the CEO of New World Concepts, a marketing and management consulting practice based in the vibrant city of Karachi, Pakistan.



Ms. Samia Liaquat Ali Khan

Director

Samia Liaquat Ali Khan is a dedicated advocate for socio-economic development and gender equity, proudly based in Islamabad, Pakistan. With over 25 years of rich experience, she has truly made her mark by designing, implementing, and enhancing programs that uplift the lives of individuals affected by poverty and conflict. Samia has built strong, enduring partnerships with international organizations, allowing her to secure vital funding for essential socio-economic initiatives, such as the National Poverty Graduation Programme.

5

ABOUT TMF

Thardeep Microfinance Foundation (TMF) is officially registered as a non-banking microfinance institution regulated by the Securities and Exchange Commission of Pakistan (SECP). Established in 2016, TMF is dedicated to combating poverty and promoting financial inclusion throughout Sindh province. Originally a strategic spin-off from the Thardeep Rural Development Programme (TRDP), TMF was incorporated under Section 42 of the Companies Act 2017, with a specific mandate to provide sustainable microfinance services.

In its operations in the most remote and challenging regions of Sindh, TMF has successfully provided services to over

62,669 active clients across 19 districts. The organization adheres to TRDP's social development mission while maintaining financial self-sustainability. TMF prioritizes quality, outreach, and efficiency by adapting to the challenging geographic landscape and the evolving needs of its clients.

TMF aims to empower unbanked and underserved micro-entrepreneurs, particularly those lacking access to traditional banking, by offering doorstep financial services that do not require collateral. Furthermore, TMF has been developing products and services with a gender-aware approach.



OUR MISSION:

We are dedicated to quality, financial inclusion, deliverance, friendliness, individual pride, and company spirit.



OUR VISION:

We highly regard a diversified sense of value and humanity, recognizing potential, challenges, and difficulties, while cultivating organizational power and enhancing efficiency. We are committed to putting our customers first by understanding their genuine concerns and work-related difficulties.

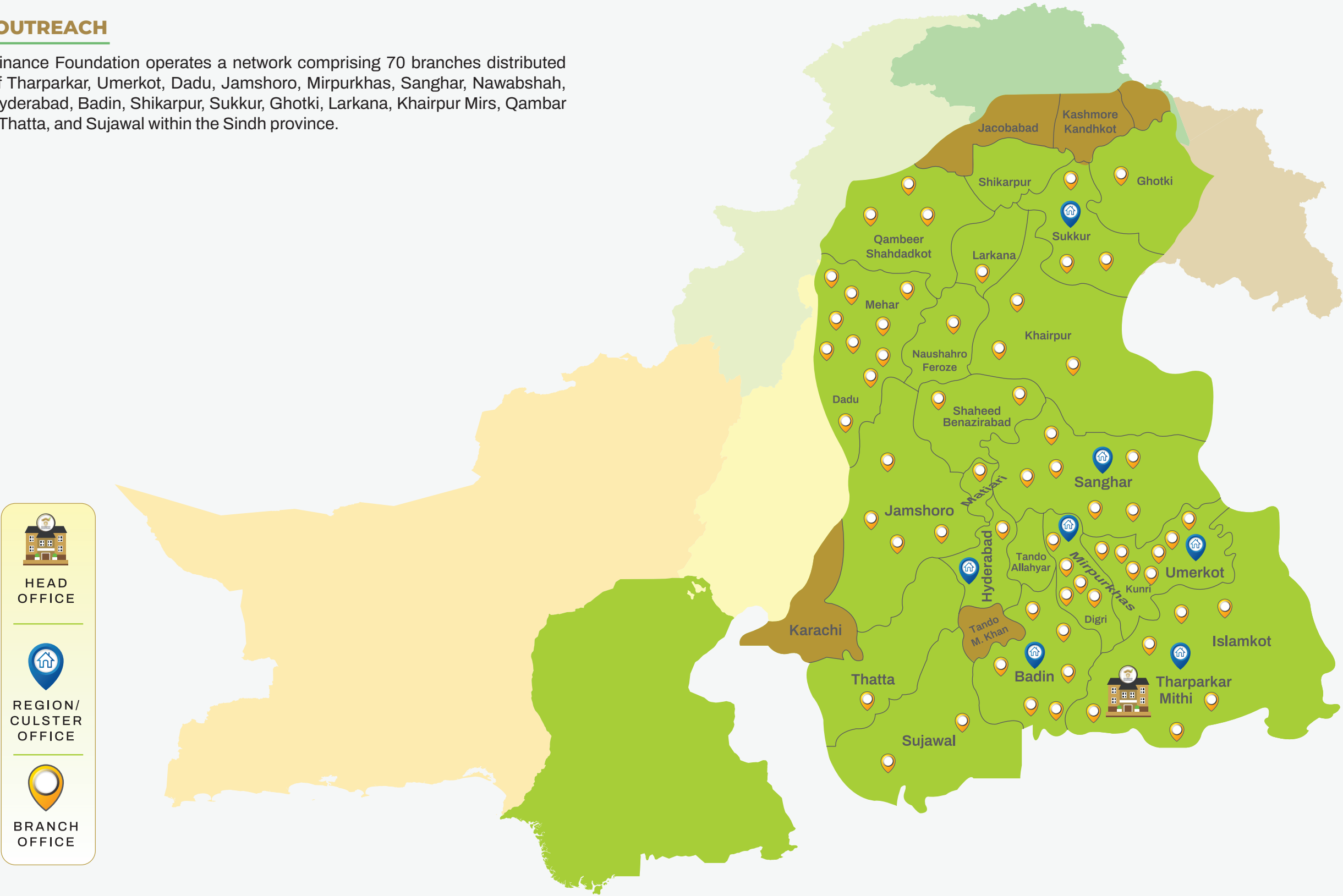


OUR CORE VALUES:

1. **Client Focus** - Our primary goal is to consistently exceed our customers' expectations in delivering our services, thereby earning their confidence and trust. For this reason, we remain sensitive, considerate, and responsive in our manners and social conduct.
2. **Trustworthiness - Integrity and Reliability** - We are honest and dependable individuals with strong moral principles, committed to mutual respect in our dealings with clients and all stakeholders.
3. **Performance Culture** - We recognize and reward individuals and teams based on measurable performance. We place a strong emphasis on commitment and results.
4. **Innovation** - We believe in introducing new ideas, methods, and practices to enhance the delivery of our products and services.
5. **Social Responsibility** - We act ethically and contribute to improving the lives of people, the community, and the society in which we operate

OPERATIONAL OUTREACH

The Thardeep Microfinance Foundation operates a network comprising 70 branches distributed across the districts of Tharparkar, Umerkot, Dadu, Jamshoro, Mirpurkhas, Sanghar, Nawabshah, Naushahro Feroze, Hyderabad, Badin, Shikarpur, Sukkur, Ghotki, Larkana, Khairpur Mirs, Qambar Shahdadkot, Matiari, Thatta, and Sujawal within the Sindh province.





6

OUR LOAN PRODUCTS

TMF'S PRODUCT OFFERINGS INCLUDE:

Agricultural Financing:

To enhance rural livelihoods, TMF offers financial products for the Rabi and Kharif seasons. These loans enable small landowners and sharecroppers to access essential inputs, such as seeds and fertilizers. Despite challenges such as drought and market fluctuations, TMF remains dedicated to sustainable agriculture. As of June 2024, PKR 3.01 billion has been disbursed, highlighting TMF's commitment to rural development and food security.

Enterprise Financing:

TMF provides financial loans to entrepreneurs, regardless of gender, to help expand their businesses. These loans give owners access to essential funding for working capital and asset improvements. Individual loans empower entrepreneurs to

grow their ventures. The consistent growth of our enterprise portfolio is a testament to the regional business potential and the entrepreneurial skills of our clients. As of June 2024, TMF has disbursed PKR 23.7 billion.

Housing and Home Repair Financing:

In response to the rising demand for improved living conditions among low- and middle-income households, TMF offers tailored housing microfinance solutions. These loans address various housing needs, such as new home construction, repairs, and land acquisition. By providing accessible and affordable financing, TMF helps families invest in safer, more dignified living environments. As of June 2024, the total disbursement for this initiative had reached PKR 1.02 billion, highlighting TMF's commitment to enhancing housing

security and improving the quality of life for underserved communities.

Livestock Financing:

TMF recognizes the importance of livestock in rural livelihoods and offers specialized loans to small-scale farmers for the acquisition and rearing of animals. These loans generate income and enhance assets, strengthening household resilience and financial stability. As of June 2024, TMF has disbursed PKR 10.08 billion in the livestock sector.

Renewable Energy Financing:

To address persistent energy deficits in rural communities, TMF offers renewable energy loans, improving access to reliable electricity. These products empower clients

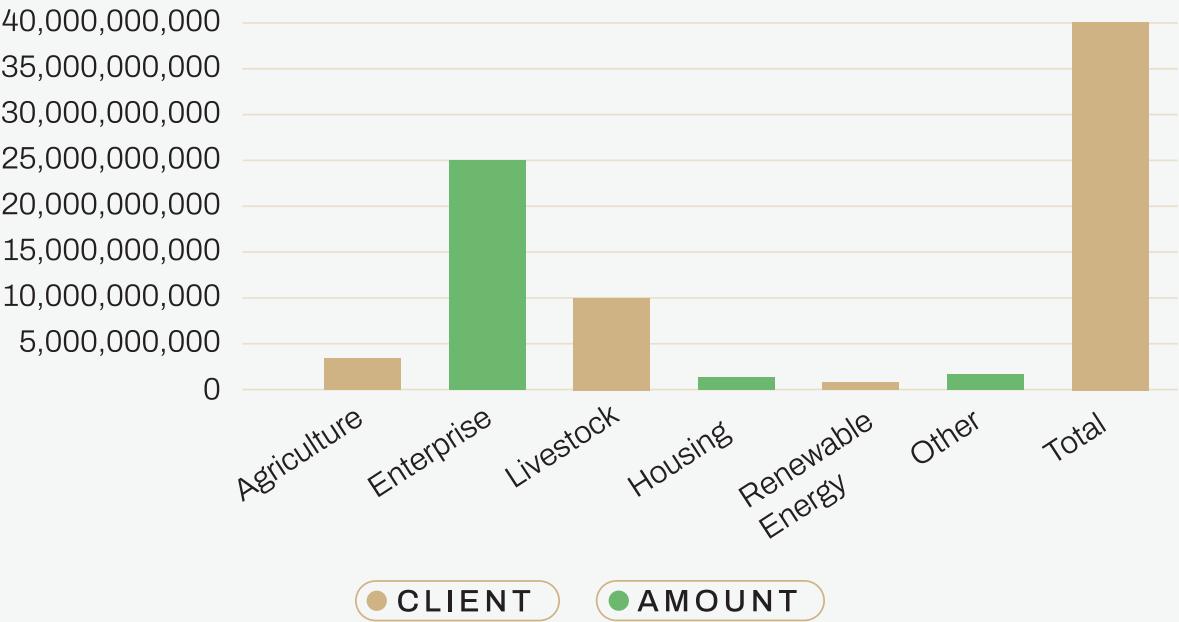
to meet household energy needs and sustain small businesses through solar and other clean energy options. As of June 2024, TMF has allocated PKR 533 million in the alternative energy sector, underscoring its commitment to sustainable, off-grid power solutions for marginalized populations.

Consumer Financing:

TMF provides consumer finance solutions with flexible terms and manageable installments, facilitating access to essential goods and services. Disbursements: As of June 2024, total consumer financing disbursements reached PKR 1.18 billion.

Through its range of products and services, TMF continues to demonstrate a commitment to empowering communities, fostering financial sustainability, and promoting self-reliance.

PRODUCTIVE WISE CUMMULATIVE DISBURSEMENT

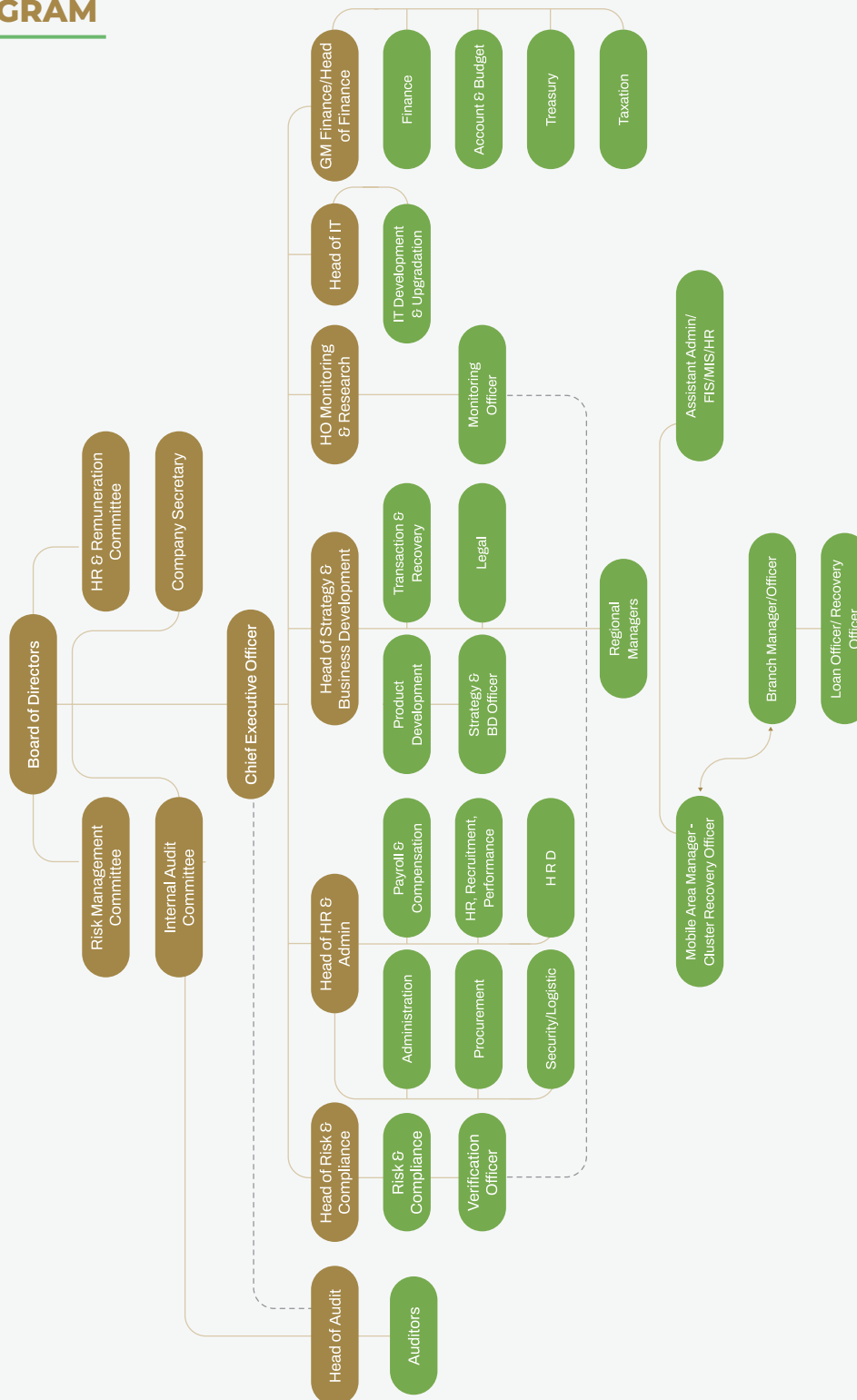


OUR LOAN PRODUCTS





ORGANOGRAM



7

MANAGEMENT TEAM



Dr. Sono Khangharani
Chief Executive Officer

Dr. Sono began his exciting professional journey in late 1982 when he took on a teaching role as a lecturer at the Agriculture University in Tando Jam, Sindh. This fantastic opportunity helped him develop essential teaching skills and gain a deeper understanding of research methodology and how to conduct it effectively. He became connected with both the National and International Academia. In 1987, he transitioned into the corporate sector as a senior professional, where he explored various business models, with a particular focus on Pakistan's vibrant dairy farming and animal husbandry industries.



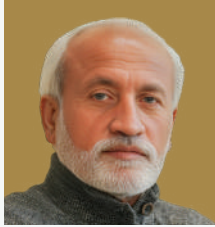
Mr. Ghulam Rasool Samejo
Head of Strategy & Business Development

Dr. Ghulam Rasool Samejo is a highly experienced community development expert, bringing over 26 years of dedicated work in the development sector. Throughout his impressive career, he has collaborated with numerous renowned organizations, including UN agencies, DFID, USAID, UNICEF, and various government bodies. Before his time at TMF, he served as the Regional General Manager at the Sindh Rural Support Organization (SRSO), where he successfully managed the implementation and operations of numerous projects spanning eight districts in Sindh.



Mr. Muhammad Farhan Lakho
General Manager Finance

We're excited to welcome Mr. Muhammad Farhan Lakho to TMF as our new General Manager of Finance! He brings a rich background in financial management and strategic leadership that we're sure will make a positive impact. With qualifications from PIPFA and ICAP, along with a master's degree in economics and a bachelor's degree in commerce, Mr. Lakho is well-equipped for this role. His impressive track record includes significant positions at SadaPay, Security Investment Bank Limited, Telenor Microfinance Bank, and Advans Pakistan Microfinance Bank, showcasing his dedication and expertise in the field.



Mr. Narumal
Senior Manager HR

Mr. Narumal earned his master's degree in business administration from the University of Sindh, Jamshoro, back in the early nineties. With twenty-five years of rich experience, he has built a remarkable career working with both international and local charity and nonprofit organizations, including fantastic contributions to Save the Children UK and TRDP.



Mr. Asmat Ali
Head of Internal Audit

Professionally qualified individual with an MBA and CPA (Finalist) along with two International Certifications i.e CICA & CFRA from the USA having around 14 years of experience in Internal Audit, Accounts and Finance. He has been associated with TMF since August 2016. Previously he was associated with ASA Pakistan Limited (A leading international Microfinance Institute) as Cluster Auditor and an NGO working on Social Development Sector at Sindh Agricultural and Forestry Workers Coordinating Organization, SAFWCO.



Mr. Ghulam Ali
Head of IT

Mr. Ghulam Ali is a seasoned and certified IT professional with over a decade of hands-on experience specializing in cloud infrastructure management, network administration, cybersecurity, and IT solutions deployment. He has worked with both national and international organizations to deliver transformative IT solutions that streamline operations, enhance security, and promote business continuity.



Mr. Arslan Ahmed Manzoor
Manager, Risk & Compliance

Services for various National and International organizations from BDO Ebrahim & Co. Pakistan, a member firm of BDO International Limited, he also has international auditing and accounting exposure by serving in BDO Mauritius (East Africa) a member firm of BDO International Limited. He is a Chartered Accountant from; Institute of Chartered Accountants of Pakistan (ICAP) and bachelor's in commerce. With exceptional communication and problem-solving skills, he has excellent knowledge of (IFRS), IAS, ISAs, and Tax laws. Currently, he has been associated with TMF since 2022.



Mr. Mukesh Kumar
Sr. Manager, Recovery and Transaction Unit

Mr. Mukesh Kumar, a proud graduate of the University of Sindh, Jamshoro, began his professional journey in 2008 when he joined the Thardeep Urban Micro Finance Program as a database officer. Throughout his career, he has played a vital role in various technological implementations. He was fortunate enough to successfully lead the way in achieving digital financial inclusion through "Branchless Banking and Electronic Appraisal" at the Thardeep Microfinance Foundation.



Mr. Narendhar Samerani
Senior Manager Finance

Mr. Narendhar is a highly experienced accounting professional with 14 years of enriching experience in the microfinance industry. He takes on the role of Senior Manager of Finance at TMF's Head Office, where he expertly manages and enhances financial accounting, reporting, and annual financial audits. Additionally, he plays a key role in overseeing accounts payable and receivable intercompany transactions, which include essential tasks such as billing, reconciling recoveries, collections, and disbursements.



Ms. Yasmeen Ali Kapri
Manager Administration Logistic & Legal

Ms. Yasmeen Ali Kapri is a dedicated professional who has spent over 13 years working alongside rural communities, making a meaningful impact in their lives. With a master's degree in economics from the University of Sindh, she embarked on her inspiring journey as a social mobilizer in 2005. Since then, she has built strong connections with community organizations through her work at TRDP and the Thardeep Microfinance Foundation (TMF), showcasing her commitment in various roles.



Mr. Teerath Das Essrani
Manager Payroll

Teerath Das Essrani, our dedicated Payroll Manager at Thardeep Microfinance Foundation (TMF), brings a wealth of knowledge with over 16 years of experience in HR and Finance. Holding a master's degree in economics from Sindh University, he began his career at TMF as an Account Assistant in the UMCP section in 2006. Since then, he has been an invaluable part of the TMF family, taking on various roles, including HR Officer in TRDP-UMCP. As one of the most experienced members of our HR team, Teerath is responsible for overseeing the payroll function at our Head Office, ensuring everything runs smoothly for our team members.



Mr. Imran Khoso
Manager Monitoring & Research

Imran Khoso is an accomplished Professional Manager of Monitoring with more than ten years of experience in the Microfinance Industry. He proudly earned his master's degree in Anthropology from the University of Sindh, Jamshoro, in 2011. Throughout his career, he has conducted insightful needs-based assessments, engaged in field monitoring visits, and produced valuable case studies to inform management decision-making.





8

STRATEGIC INITIATIVES

In 2023–24, the Thardeep Microfinance Foundation (TMF) pursued a series of focused strategic initiatives aimed at enhancing financial inclusion, strengthening portfolio quality, and building institutional resilience. TMF expanded its product range by introducing innovative loan options tailored to emerging client needs, such as financing for alternative energy sources, electric vehicles, climate-resilient crops, and women-led enterprises, while deepening its outreach in existing underserved and remote regions. Financial literacy programs were launched to empower clients in managing their finances more effectively.

To improve portfolio health, TMF strengthened its loan recovery mechanisms and reduced the Portfolio at Risk (PAR) through targeted follow-ups and the implementation of digital

monitoring systems. The organization enhanced operational efficiency by leveraging data analytics and digital loan management platforms for better decision-making. Internally, TMF reinforced governance and risk management frameworks to ensure regulatory compliance and safeguard assets. Despite a challenging economic environment, strategic investments in staff capacity-building contributed to improved productivity, service quality, and employee retention. Collectively, these initiatives reflect TMF's commitment to achieving a sustainable impact and its evolution into a responsible, client-centric microfinance institution.



9

SUSTAINABILITY & ESG INITIATIVES

Thardeep Microfinance Foundation (TMF) integrates environmental, social, and governance (ESG) principles at the core of its operations, guided by a comprehensive Environmental and Social Management System (ESMS). Each loan undergoes rigorous environmental and social screening before disbursement to ensure responsible financing. The Foundation's dedicated manual, *Environmental and Social Risk Management Policies and Procedures*, institutionalizes TMF's ESG commitments by outlining systematic processes for identifying and managing risks in accordance with national laws and international standards. These practices not only safeguard the institution's sustainability but also support borrowers in complying with relevant environmental and social norms, reinforcing TMF's role as a responsible financial partner.

In 2023–24, TMF continued to promote green finance by disbursing 219 renewable energy loans aimed at reducing reliance on non-renewable sources in underserved communities. Social inclusion remained a priority through targeted outreach, financial literacy programs, and participatory development initiatives that empower marginalized groups. TMF's commitment to diversity, equity, and inclusion is evident in its gender-intelligent products, inclusive hiring practices, and a culture of equity in the workplace. Strong corporate governance, rooted in transparency, ethical conduct, and robust compliance mechanisms, ensured operational integrity and the protection of stakeholder interests at all levels of the organization.

Image by Google



10

ANNUAL PERFORMANCE HR, INTERNAL AUDIT, IT & COMPLIANCE

10.1 HUMAN RESOURCE DEPARTMENT – TMF

In 2023–24, the Human Resources (HR) Department at Thardeep Microfinance Foundation (TMF) played a crucial role in aligning the organization's strategic goals with a dedicated and skilled workforce. By emphasizing employee engagement, development, and well-being, HR worked closely with all departments to cultivate a supportive and high-performance culture. A variety of initiatives focused on capacity building, inclusion, and motivation underscored TMF's conviction that empowered employees are crucial to delivering impactful microfinance services. The HR team also focused on sustaining a positive work environment, ensuring that staff felt valued and prepared to contribute meaningfully to the organization's mission.

As of the reporting period, TMF's workforce consists of 457 employees, strategically distributed across branches and departments to support outreach in underserved areas. This marks a 30% reduction from the previous year, resulting from TMF's intentional efforts to streamline operations and improve efficiency in response to evolving sectoral demands. Despite the leaner structure, TMF remained dedicated to service quality and continued to invest in its people to ensure sustainability, performance, and meaningful community impact.

Table 1: Workforce Comparison (July 2022-2023 vs. July 2023-2024)

Particulars	Number of Staff (July 2023-2024)	Number of Staff (July 2022-2023)
Male	382	578
Female	75	70
Total	457	648

This comparison highlights changes in staff numbers during the reporting period, showcasing the dynamic nature of the TMF workforce as it responds to evolving organizational needs and microfinance initiatives.

Female Staff Comparison – 2022-2023 to 2023-2024:

TMF's total female staff strength as of June 2024 stood at 75 employees, with a detailed year-over-year comparison provided in Table 1.2

Particulars	NUMBER OF FEMALE STAFF DURING THE YEAR 2023-2024	NUMBER OF FEMALE STAFF DURING THE YEAR 2022-2023	%PERCENTAGE INCREASE/ DECREASE
Female	75	70	7%

OVERVIEW OF TRAINING PROGRAMS:

From July 2023 to June 2024, Thardeep Microfinance Foundation (TMF) advanced its commitment to workforce development through targeted training initiatives that engaged 160 employees. These programs, delivered both internally and through national exposure sessions, focused on building critical skills aligned with the evolving needs of the microfinance sector. Although there was a

modest decline in participation compared to the previous year, this shift reflects a more strategic and tailored training approach, emphasizing quality and relevance over quantity. As a result, participants demonstrated improved competencies, which contributed to enhanced service delivery, operational efficiency, and a culture of continuous learning throughout the organization.

Training Summary - July 2023 to June 2024:

S#	Training Programme	Number of Participants	Outcome
1	Orientation Training Workshop for Loan Officers	120 new staff	Introduction to TMF, Team Communication, Finance, Career Development, Audit, and more.
2	Employee Attrition Workshop	36, department heads, section managers, regional managers, area managers, and regional HR professionals.	This workshop aimed to combat attrition. It involved analyzing current trends, identifying key drivers, and developing practical solutions. Participants collaborated to create action plans to improve employee retention.
3	PMRC Training Program at Karachi	1 Manager, Products and Special Projects.	This workshop provided a platform to share E&S experiences and insights. Key discussions included presentations by PFIs, SBP guidelines on ESRMS reporting, and World Bank observations on ESRMS implementation.
4	Virtual E&S Workshop	2 Senior Monitoring Officers, Manager Risk and Compliance.	This workshop provided a platform to share E&S experiences and insights. Key discussions included presentations by PFIs, SBP guidelines on ESRMS reporting, and World Bank observations on ESRMS implementation.
5	Conference - AMC-7 by PMN in Islamabad.	1 Chief Executive Officer (CEO)	This workshop focused on sustainable and inclusive finance. Key topics included climate change adaptation, ESG, digital finance, and responsible finance. Industry concerns like transparent reporting, interest rates, and the microfinance landscape were also discussed.



RECRUITMENT AND FOSTER REVIEW (JULY 2023 - JUNE 2024):

During the fiscal year 2023–2024, the Human Resources department at Thardeep Microfinance Foundation (TMF) conducted extensive recruitment efforts to build a strong and diverse workforce. A total of 302 staff members were recruited through a multifaceted strategy that utilized the TMF Facebook page, LinkedIn, social media platforms, and relevant job boards to maximize outreach and attract qualified candidates. This approach enabled

TMF to fill key positions across its branches, regional offices, and seven strategic roles at the Head Office. The recruitment process emphasized not only educational qualifications and relevant experience but also strong communication skills, a collaborative mindset, cultural sensitivity, and a strong work ethic, ensuring alignment with TMF’s mission and organizational values.

Table 3: Staff Recruitment (July 2023 to June 2024)			
	Location	Recruited Staff (July 2023-2024)	Recruited Staff (July 2022-2023)
	Head Office	7	11
	Mirpurkhas Region	131	203
	Tharparkar & Badin	73	49
	Sukkur Region	60	66
	Hyderabad Region	31	218
	Total	302	547

During the fiscal year 2023–2024, TMF adopted a more strategic and quality-focused recruitment approach, hiring 302 staff compared to 547 in the previous year. This reduction reflects a deliberate shift toward aligning workforce size with evolving organizational needs while ensuring adequate coverage across regions, branches, and key head office roles.

The recruitment process prioritized educational qualifications, professional experience, communication skills, cultural sensitivity, and work ethic to build a capable and mission-driven team. TMF also reinforced its commitment to diversity and inclusion, with female hires making up 25% (61 individuals) of the total recruitment—an intentional step toward fostering gender balance and enriching the workplace with diverse perspectives.

COMPLIANCE AND LEGAL MATTERS OVERVIEW (2023-2024):

During the fiscal year 2023–2024, TMF’s Human Resources department remained committed to maintaining compliance with labor laws and ethical standards while proactively addressing legal matters and refining HR processes.

A comprehensive review of HR policies and practices ensured alignment with regulatory requirements, and all job descriptions were updated to reflect current roles accurately. Enhancements included the implementation

of a centralized recruitment process, improved onboarding and exit procedures, a policy for effective internal communication, and clear criteria for hiring local staff. Regular HR meetings between regional and head office teams further reinforced consistency and collaboration across the organization.

Additionally, TMF facilitated timely final settlements for departing employees and

reinforced its commitment to fairness and transparency in all personnel matters. A key milestone was the meeting of the HR Board Committee, which reviewed strategic priorities, including recruitment, training, compliance, and budget planning. These initiatives reflect TMF's dedication to fostering a compliant, efficient, and people-centered workplace that supports the broader organizational mission.

10.2 INNOVATION & DIGITAL TRANSFORMATION

Technology Adoption & Digitization Strategies

During the fiscal year 2023–2024, the Thardeep Microfinance Foundation (TMF) made significant progress in digital transformation, aiming to improve operational efficiency, transparency, and client outreach. Central to this initiative was the digitization of loan processing through handheld devices, which enabled real-time data capture, client onboarding, and quicker loan approvals, particularly benefiting remote communities. Investments in Management Information Systems (MIS) have further enhanced internal controls, risk management, and real-time portfolio monitoring. Additionally, TMF began exploring digital payment solutions and mobile banking in collaboration with telecom and fintech providers, aiming to reduce its

reliance on cash and offer clients more convenient and secure financial services.

To ensure data protection, TMF prioritized cybersecurity by implementing strong protocols, conducting regular audits, and adhering to robust privacy regulations. Looking ahead, TMF plans to expand its digital portfolio with mobile apps, e-wallets, and self-service platforms, while incorporating Industry 4.0 technologies such as AI and analytics to evaluate creditworthiness and customize services more effectively. The organization remains committed to fostering digital literacy among clients and staff, ensuring that its technology-driven approach is inclusive, sustainable, and aligned with its mission of serving underserved populations.



10.3 INTERNAL AUDIT DEPARTMENT:

During the fiscal year 2023–2024, the Internal Audit Department of Thardeep Microfinance Foundation (TMF) continued to play a crucial role in enhancing institutional integrity, operational efficiency, and risk management. Internal audits concentrated on key areas such as loan disbursement and recovery, client KYC processes, cash and treasury management, and evaluating internal controls.

The department operated independently, reporting directly to the CEO and the Board Audit Committee, which ensured objective assessments and compliance with regulatory and organizational standards. By employing a risk-based audit approach, auditors conducted comprehensive planning, fieldwork, and analysis, followed by actionable reporting and organized follow-up actions. These processes were bolstered by the adoption of modern audit tools and ongoing capacity-building for audit

staff, which further enhanced the department’s ability to detect fraud, improve control systems, and promote compliance.

From July 2023 to June 2024, the audit team conducted extensive fieldwork, engaging 1190 borrowers, 70 branches, 16 area offices, four regional centers, and various departments at the Head Office. These audits provided a comprehensive understanding of TMF’s operational and financial health across all levels of the organization. Findings and recommendations were compiled into executive summaries for the Audit Committee, reflecting consistent progress and alignment with strategic guidance. Through regular and well-structured audits, TMF has reinforced its commitment to transparency, accountability, and continuous improvement, ensuring it remains a trusted and resilient institution serving underserved communities.

Internal Audit Visits			
Units	Follow-up visits Jul-23 to Dec-23	Regular visits Jan-24 to Jun-24	Total Audits
Region	5	3	8
Area	13	12	25
Branch	58	51	109
Head office Departments	6	7	13
Borrowers	604	586	1190

10.4 RISK MANAGEMENT AND COMPLIANCE

During the fiscal year 2023–2024, Thardeep Microfinance Foundation (TMF) continued to strengthen its risk and compliance functions to ensure institutional integrity, regulatory adherence, and long-term sustainability. The Compliance Department remained vigilant

in aligning all operations with applicable legal frameworks, including the Companies Ordinance of 1984, NBFC Rules 2003, NBFC Regulations 2008, and various taxation and provincial service acts. By strictly adhering to regulatory expectations, TMF preserved its

credibility as a responsible financial institution committed to ethical conduct and good governance.

TMF’s risk management framework addressed a broad spectrum of risks inherent to microfinance operations.

These included credit risk, mitigated through client assessments, portfolio diversification, and flexible repayment solutions; operational risk, addressed through robust IT systems, staff training, and regular audits; and liquidity risk, managed with diversified funding sources and strong cash flow monitoring. Market risks, such as inflation and interest rate volatility, were mitigated by closely monitoring economic trends and adjusting pricing strategies accordingly. Legal, reputational, and fraud risks were proactively managed through

transparent communication, high customer service standards, and fraud detection protocols, including whistle blower mechanisms.

Additionally, TMF has integrated environmental and social risk management into its core risk strategy, demonstrating its commitment to responsible finance. Initiatives included promoting climate-resilient practices among borrowers and enhancing client education to bolster financial resilience. Looking ahead, TMF continues to adapt its risk management approach to remain responsive to external shocks while striking a balance between economic growth and the security and empowerment of its clients. This comprehensive, institution-wide strategy ensures that TMF can achieve its mission of inclusive finance while preserving resilience and sustainability.

Department Data Table 2023-24		
No. of Cases Complied	No. of Cases Recommended for Cancel	No. of Filed Visits
23,213	3,589	15

10.5 MONITORING RESEARCH & DOCUMENTATION DEPARTMENT

In 2023–2024, the Monitoring, Research, and Documentation (MRD) Department played a critical role in strengthening TMF’s accountability, transparency, and impact assessment mechanisms. Post-disbursement monitoring ensured that borrowers utilized funds by the agreed-upon terms, with field visits and follow-ups reinforcing responsible fund use and protecting TMF’s financial assets. These activities not only enhanced operational oversight but also provided valuable data for informed decision-making and program improvement. The department also led the preparation and dissemination of Environmental and Social Management

System (ESMS) reports to internal and external stakeholders, highlighting TMF’s compliance with environmental and social standards.

Beyond monitoring, the MRD managed TMF’s digital presence by curating content, engaging with audiences on social media platforms, and promoting the organization’s initiatives and values. The department also oversaw the client grievance redressal mechanism, ensuring the timely resolution of complaints, which contributed to stronger community trust and institutional credibility. Additionally, the MRD administered the Credit

Life Insurance process by coordinating with regional offices and insurance providers to process claims and manage premium disbursements. During the reporting period,

all submitted claims were successfully processed, and compensation was delivered to the next of kin, reflecting TMF’s commitment to client protection and responsible finance.

Department Data Table 2023-24		
No. of Death Claims Submitted to Insurance Company	No. of Claims Reimbursed	Amount pay to families/ Next of kin against Death Claims
88	88	3,309,449

10.6 ADMINISTRATION LOGISTIC & LEGAL DEPARTMENT

The Administration Department plays an important role in ensuring the smooth functioning of the company’s daily operations. It serves as the backbone of internal coordination and operational support, fostering an efficient and well-managed work environment for all staff members.

Moreover, the Legal department has recently been established to look after the company’s legal matters.

However, the key responsibilities of the department include:



1. Managing Daily Administrative Operations:

The department oversees routine administrative tasks to ensure business continuity. It coordinates activities across departments, helping maintain a seamless workflow and addressing any operational disruptions promptly.

2. Handling Office Supplies and Equipment:

This includes maintaining an adequate stock of office essentials such as stationery and paper, as well as managing the condition of office equipment like computers, printers, vehicles, and telecommunication tools. The department ensures that all assets are functional and well-maintained.

3. Maintaining a Productive Work Environment:

By organizing office layouts, managing shared spaces, and ensuring cleanliness and order, the administration team creates a workspace that is both comfortable and conducive to productivity. It also ensures compliance with health and safety standards.

4. Enhancing Internal Communication and Coordination:

Serving as a hub for information flow, the administration department supports clear communication and effective coordination between different teams and departments, helping align efforts and streamline processes.

5. Providing General Administrative Support:

From scheduling meetings and handling official correspondence to maintaining records and filing systems, the department provides essential administrative support that enables other departments to focus on their primary functions without operational distractions.

During the reporting year, the department organized several meetings and conducted visits to various locations. A summary of these activities is provided below.

Details of the Meetings and Visits

No. of Monthly Progress Review Meetings arranged	No. of Board of Directors Meetings arranged	No. of Field Visits
12	4	10

A broad category-wise distribution of the portfolio is given below:

Product wise Disbursement	Client	Amount
Agriculture Loan	3	150,000
Enterprise Loan	21,387	1,661,386,022
Livestock Loan	39	4,565,000
Housing	172	54,155,000
Renewable Energy	219	20,224,984
Other	1,393	213,224,400
Grand Total	23,213	1,953,705,406





11

FINANCIAL PERFORMANCE & HIGHLIGHTS

During the fiscal year ending June 30, 2024, Thardeep Microfinance Foundation (TMF) faced numerous external and internal challenges that significantly impacted its financial performance. Elevated inflation, high staff turnover, and a sluggish economic recovery hampered loan portfolio growth, while increasing regulatory compliance requirements, particularly related to anti-money laundering and IT system upgrades, added operational complexity. These pressures resulted in a 49% decline in equity growth compared to the previous year, a 5% reduction in total assets, and a sharp 325% contraction in the gross loan portfolio, all of which contributed to financial strain. Despite these challenges, TMF actively pursued stabilization through digitization, enhanced staff and client

training, and the rollout of an Enterprise Resource Planning (ERP) system to improve loan origination and operational efficiency.

Financially, TMF reported mixed results. While total financial income declined by 9%, the organization successfully reduced operating expenses by 19%, demonstrating improved cost control. However, increased fund costs (up 7%) and a dip in risk coverage from 190.82% to 131.5% signaled growing financial pressure. A 27% reduction in loan loss provisions offered some relief, and the Portfolio at Risk (PAR) remained relatively stable. Moving forward, TMF must prioritize further cost optimization, strengthen risk management, and continue leveraging technology to restore growth and achieve long-term financial sustainability.

In the fiscal year 2023–2024, TMF’s balance sheet showed a contraction in total assets, decreasing to PKR 6,086 from PKR 6,392 million in the previous year, mainly due to a 29% decline in net loans. However, short-term investments experienced an increase, partially offsetting the declines in assets. Total liabilities decreased by 2%, from PKR 6,037.72 million to PKR 5,904.2 million, with long-term liabilities registering a significant 12% drop. Total equity amounted to PKR 354.36 million, reflecting a 9% year-over-year decline; however, this still represented an improvement from PKR 182.17 million in the prior year.

On the income side, TMF reported an unappropriated deficit of PKR 255.9 million, contributing to a 28% reduction in equity. Total operating income declined by 9%, falling from PKR 1,258 million to PKR 1,143 million, while operating expenses decreased significantly by 19%, from PKR 639 million to PKR 518 million. A significant positive indicator was the 55% reduction in loan loss provision expenses, signaling improved credit quality. However, the cost of funds rose from 19% to 23%, driven by higher interest rates. Although this increase puts pressure on profitability, TMF’s focus on cost control and improved credit risk management provides a foundation for future financial recovery.

Financial Change: 2023-2024 (Amount in PKR (millions))

30-Jun 2023	2024	2023	Change
Short Term Investment	1,385	1,146	17%
Gross Loan Portfolio	2,770	3,690	-25%
PAR	4.99%	4.92%	0.7%
Risk Coverage	134%	190%	-56%
Net Loan Portfolio	2,586	3,165	-19%
Operating Fixed Assets	145	88	65%
Total Assets	6086	6392	-5%
Total Liabilities	5,904	6,038	-2%
Borrowings	4,947	5,107	-3%
Subordinated Loan	400	400	0%
Equity	182	354	-49%
Net Markup/Interest Income	1,144	1,259	-9%
Provisions against NPLs	49	109	-55%
Total Non-Markup/ Non-Interest Income	331	292	14%
Total Non-Markup/ Non-Interest Expense	518	660	-22%
Loss/Profit Before Taxation	-256	-133	-49%
Profit after Taxation	-256	-133	-49%



12 TRACING THE DROP

During the fiscal year 2023–2024, Thardeep Microfinance Foundation (TMF) operated in a challenging environment marked by the ongoing effects of the COVID-19 pandemic and the 2022 floods, both of which continued to impact loan recovery and operational performance. TMF reported total income of PKR 1,144 million, representing a 9% decline due to underperforming products and difficulties in market penetration. While efforts were made to reduce operational costs, expenses rose by 4.08% to PKR 1,730 million, primarily driven by overhead, increased fund management costs, and provisions for bad debts.

Operational performance further deteriorated, with an 88% decrease in recovery progress and a 5% rise in the

Portfolio at Risk (PAR), although loan recovery stabilized at 90% by year-end. The ERP system rollout experienced delays, hindering automation and efficiency, while workforce reductions of 21% and limited training resulted in stagnant skill development. Nevertheless, employee turnover decreased by 3%, attributed to improved workplace policies and opportunities for women.

TMF's client base reflected a mixed trajectory. While loan disbursements continued to grow over the past three years, the number of active clients declined, underscoring the need for a renewed focus on client engagement and retention. Financially, TMF recorded a net loss of PKR 255.90 million—an increase of 92% from the prior year —

primarily driven by reduced revenues, insufficient cost controls, and weak operating cash flows. Asset management trends also highlighted liquidity concerns, with current assets decreasing by 13% to PKR 5,192 million, despite a modest 3% growth in non-current assets to PKR 895 million. These figures reflect a contraction in core microfinance activity, indicating a need for stronger cash flow management.

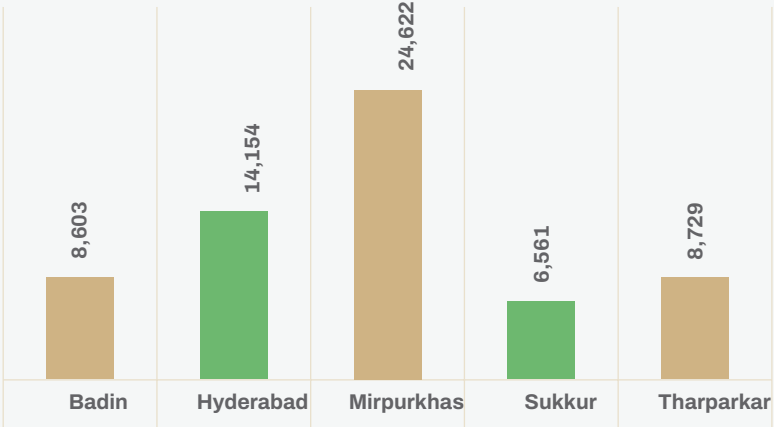
Governance and compliance remained central to TMF's institutional strength. The Board of Directors and its sub-committees continued

to provide strategic oversight over financial planning, investment, and risk management. The Audit Committee ensured independent monitoring and maintained compliance with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and the Companies Act 2017. The audited financial statements for the year ended June 30, 2024, were issued with no adverse remarks. Despite the challenges, TMF remained dedicated to its mission of economic empowerment through microfinance and is now positioned to recalibrate its strategy, strengthen institutional capacity, and re-engage clients for a more resilient and impactful future.

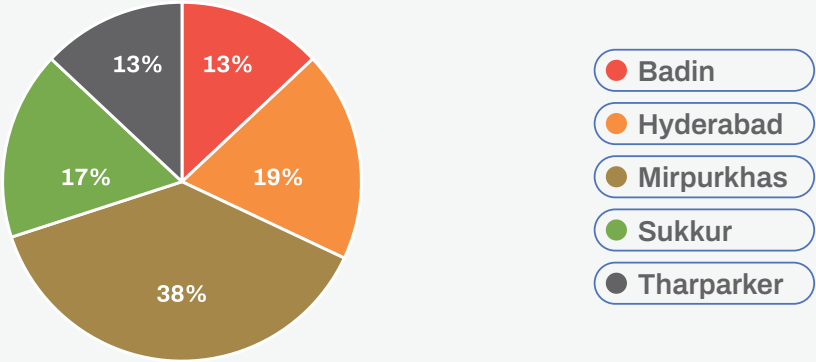
TMF at a Glance		
Branch Offices	70	
Loan Officers	286	
Cumulative Disbursement		
Amount Disbursed as of June 2024 PKR Billion	39.5	
Number of Loans Disbursed	1,286,232	
Number of Female Loans Disbursed	840,815	
Active Loan Portfolio		
Current Active Borrowers	62,669	
Female Borrowers	43,167	
Current Outstanding Loan Portfolio	2,769,688,172	
Disbursement (July-23 June-24)		
Amount Disbursed PKR Million	1,953	
No. of Loans Disbursed	23,213	

Recovery PKR (July-23 June-24)		
Amount Due	Amount Recovered	%age
3,288,960,454	2,894,285,200	88%

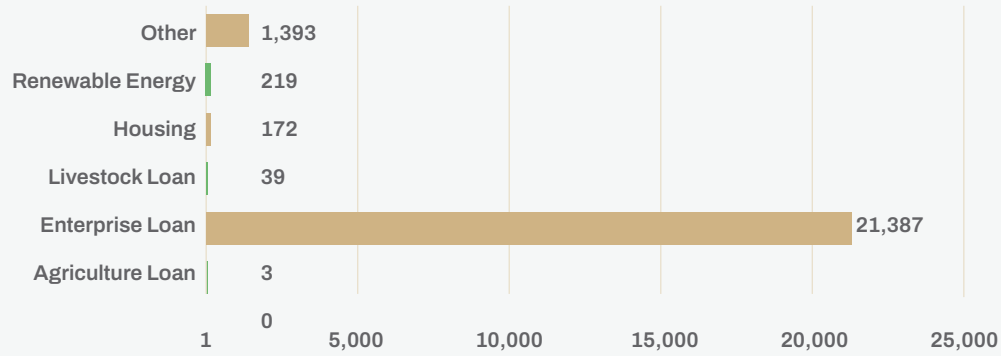
REGION WISE ACTIVE BORRWERS



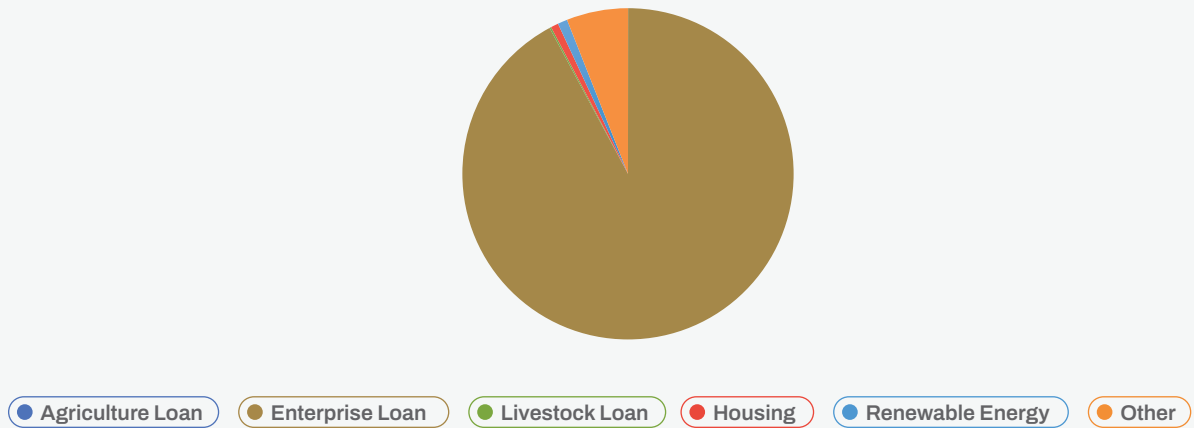
REGION WISE OLP



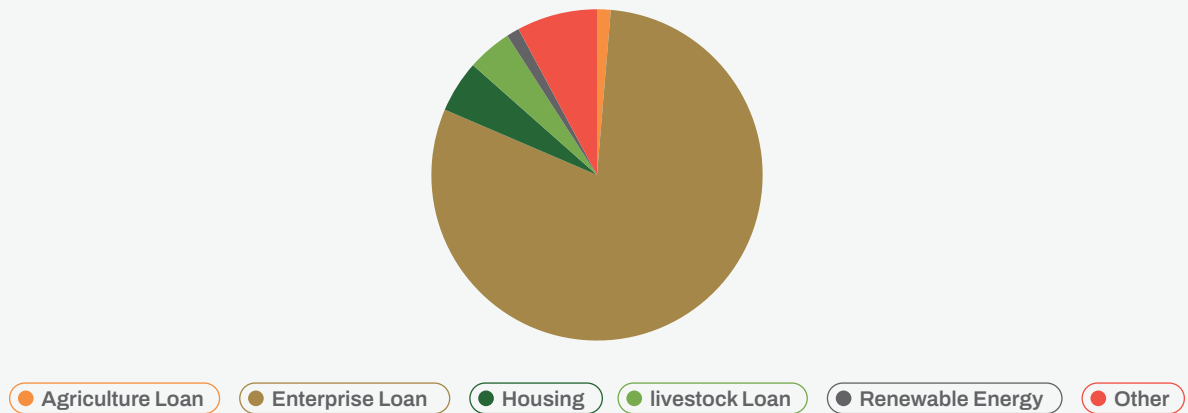
NUMBER OF CLIENT'S DISBURSED DURING THE YEARE 2023-24



PRODUCT WISE AMOUNT DISBURSED (2023-2024)



PRODUCT WISE COLLECTION 2023-2024





13

STAKEHOLDER ENGAGEMENT

At Thardeep Microfinance Foundation (TMF), stakeholder engagement is at the heart of our mission to deliver inclusive financial services and promote long-term sustainability. Our stakeholders include clients, employees, regulators, investors, local communities, the Board of Directors, and strategic partners. Guided by principles of inclusivity, transparency, and responsiveness, TMF actively engages clients through regular communication, financial literacy programs, and field visits to ensure our services align with their evolving needs. Employees are supported through performance evaluations, training opportunities, and feedback mechanisms to maintain motivation and operational excellence. Investors and donors receive timely updates on financial performance and social impact, thereby strengthening trust and ensuring continued support.

TMF also maintains strong relationships with regulators by adhering to compliance standards and engaging in open dialogue about policy changes, thus ensuring legal integrity. Our collaboration with local communities and partners is grounded in outreach efforts and responsible lending, promoting social development. The Board of Directors plays a critical role in governance and strategic oversight, while transparent procurement and long-term partnerships with suppliers drive innovation and operational efficiency. Through this multifaceted engagement strategy, TMF continues to build stakeholder trust, uphold accountability, and create meaningful social and financial impact across all areas of its work.

RIISING ABOVE ADVERSITY

Rizwana is a resilient and determined woman from the charming community of Mehar Tehsil in the Dadu district, and she truly inspires those around her. She is happily married to her cousin Ubedullah Gaan, a former army retiree who now works as a security guard. Together, they are nurturing their six wonderful children—three daughters and three sons—who are all actively pursuing their education. In 2008, Rizwana took a significant step towards her entrepreneurial dreams by securing a loan of Rs. 10,000 from the Thardeep Microfinance Foundation (TMF). Inspired by her early success, she borrowed another Rs. 10,000 in 2009 to expand her blossoming clothes business. Her hard work and determination truly paid off, leading her to borrow Rs. 8,000 in 2014 to further invest in her venture. Over the years, Rizwana's dedication has won her the admiration of her community, encouraging her to dream even bigger. By 2021, she had significantly grown her business and taken a substantial loan of Rs. 300,000 from TMF to establish a delightful shop selling stitched and unstitched dresses for women and children.





In 2022, Rizwana faced unexpected challenges when devastating floods swept through her region, impacting many lives. This catastrophe not only forced numerous people to relocate but also caused some of her customers to miss payments, resulting in significant losses for her. Unfortunately, the financial pressure led her to close her shop temporarily. Yet, Rizwana's steadfast spirit remained strong. With a renewed sense of determination, she reconnected with TMF in 2024 and successfully secured a loan of Rs. 300,000. This time, her focus was on stabilizing her shop and reviving her business.

Today, Rizwana's shop is thriving once again, and she has become an inspiring role model for her daughters and other women in the community, earning a steady monthly income of 55k to 60k rupees. Her journey exemplifies the remarkable power of perseverance and hard work in overcoming even the most daunting challenges. Rizwana feels deeply grateful for the support she received, crediting TMF for believing in her potential and helping her transform her dreams into reality.

"I am truly grateful to Thardeep Microfinance for helping me to become a successful entrepreneur," she shares. "Their support has not only inspired me but has also encouraged other women in my community to chase their dreams."

A DETERMINED ENTREPRENEUR

Kavita, a 33-year-old caring mother of five from Padri Goth in Sanghar District, has demonstrated remarkable resilience and determination in overcoming challenges. Even though her education only extended to the 8th grade, Kavita bravely assumed the responsibility of supporting her entire family. Her inspiring journey started in 2006 when she got married. Back then, her husband brought home a modest income of 9,000 rupees a month as an assistant to a cable operator, which was just not enough to meet the family's needs.

In 2015, she took a brave step toward securing her family's financial future by borrowing 10,000 rupees from Thardeep Microfinance (TMF) to buy a sewing machine. She started sewing clothes from the comfort of her home, slowly but surely saving up to support her household. As her business blossomed, Kavita wisely reinvested her earnings and obtained additional loans between 2016 and 2019, ultimately saving enough to buy a cable operation setup for 500,000 rupees.





Even though there were challenges due to losses in the cable operation setup, Kavita's determination remained as strong as ever. In 2023, she bravely decided to take out a loan of 50,000 rupees to start her business selling garam masala items, focusing on essential spices such as black pepper and cumin seeds.

Today, Kavita's husband works at an electricity company, where he earns a solid 30,000 rupees each month. In the meantime, Kavita's entrepreneurial spirit is thriving! Her sewing business brings in 10,000 rupees a month, and her delightful garam masala venture adds another 30,000 rupees. Together, they're enjoying a wonderful combined monthly income of around 70,000 rupees.

Kavita's incredible hard work and determination have truly changed her family's life for the better! Now, her children have excellent opportunities to pursue their education: her 17-year-old son is happily navigating 11th grade, her 15-year-old daughter is enjoying her time in 8th grade, her 13-year-old daughter is shining brightly in 4th grade, and her 10-year-old daughter is having a great experience in 2nd grade.

She feels deeply thankful to the Thardeep Microfinance Foundation for recognizing her potential and offering the financial support that has made a real difference in her life.

Kavita shares, "My life has undergone significant changes." She adds, "From being very poor, we are now comfortable."

Looking to the future, Kavita plans to open a sewing center with her next loan amount.



15

FUTURE OUTLOOK & STRATEGIC PLAN

Having acquired unprecedented experience during the pandemic, humanity has united and demonstrated resilience in the face of adversity. The challenges that disrupted and impacted socio-economic conditions underscored the necessity to remain adaptable. With this approach, numerous milestones can be achieved. In 2022, we faced another hardship and an even greater challenge. The devastation caused by this calamity has profoundly affected the microfinance sector, as approximately 60 percent of the microfinance lending portfolio is allocated to agricultural inputs and livestock in the rural areas of the country. This situation has also intensified the pressure to control inflation, generating a domino effect on the socio-economic landscape. Rising inflation has adversely impacted the

repayment capacities of TMF borrowers, who are already experiencing financial stress due to crop damage, livestock losses, and business disruptions.

Notwithstanding these challenges, we maintain an optimistic outlook regarding our capacity to address disruptions. We have confidence in our ability to respond effectively and strategically invest in appropriate platforms to enhance customer service, fortify our relationships with clients, and deepen our comprehension of their needs to deliver optimal products.

During the fiscal year, we have made significant investments in our workforce and technology, and we will sustain this momentum. These strategic investments, combined with our

commitment to enhancing financial inclusion through microfinance, position us favorably for both short-term and long-term growth.

Furthermore, the policies and measures implemented by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP) will bolster the financial sector.

Our growth narrative persists with an emphasis on digitalization and operational efficiencies. We intend to significantly amplify our assets and liabilities while maintaining a moderate capital adequacy ratio to sustain a long-term growth trajectory.

To align the TMF with the broader developmental agenda of the Government and the United Nations' Sustainable Development Goals (SDGs), the TMF will actively promote increased client involvement in financing sectors such as water, sanitation, affordable housing, clean energy, and health. The TMF will continue to engage with borrowers to promote livelihoods, foster skill development, enhance market access, promote digital financial literacy, and extend credit facilities. The TMF possesses confidence in both its capabilities and its team, drawing insights from the market and designing products based on national and international best practices. Consequently, the TMF will assess product development through the lenses of affordability, profitability, acceptability, and scalability to ensure long-term sustainability. By utilizing available service providers, the TMF's newly developed products will effectively integrate technology.

Thardeep Microfinance Foundation aims to optimize its equity to achieve a debt-to-equity ratio of 5:1 by the end of 2026. Furthermore, it will seek to retain the sub-loan with TRDP and encourage PMIC to either match this arrangement with TRDP or extend additional support to facilitate its future development. In light of this plan, TMF intends to procure funding from partners and financial institutions within both domestic and international investment sectors. TMF will also significantly diversify its liability portfolio to mitigate risks associated with individual debt providers.

TMF is privileged to receive the support of partners, including PMRC, PMIC, SIMA, Tridos, commercial banks, and various other entities in these domains. TMF intends to build upon and enhance such support. To refine our strategies further, TMF will persist in its engagement with PMN at the national level and with its constituent member institutions.

Furthermore, we are confident that our sustained focus and dedication will benefit the Foundation in the years to come.

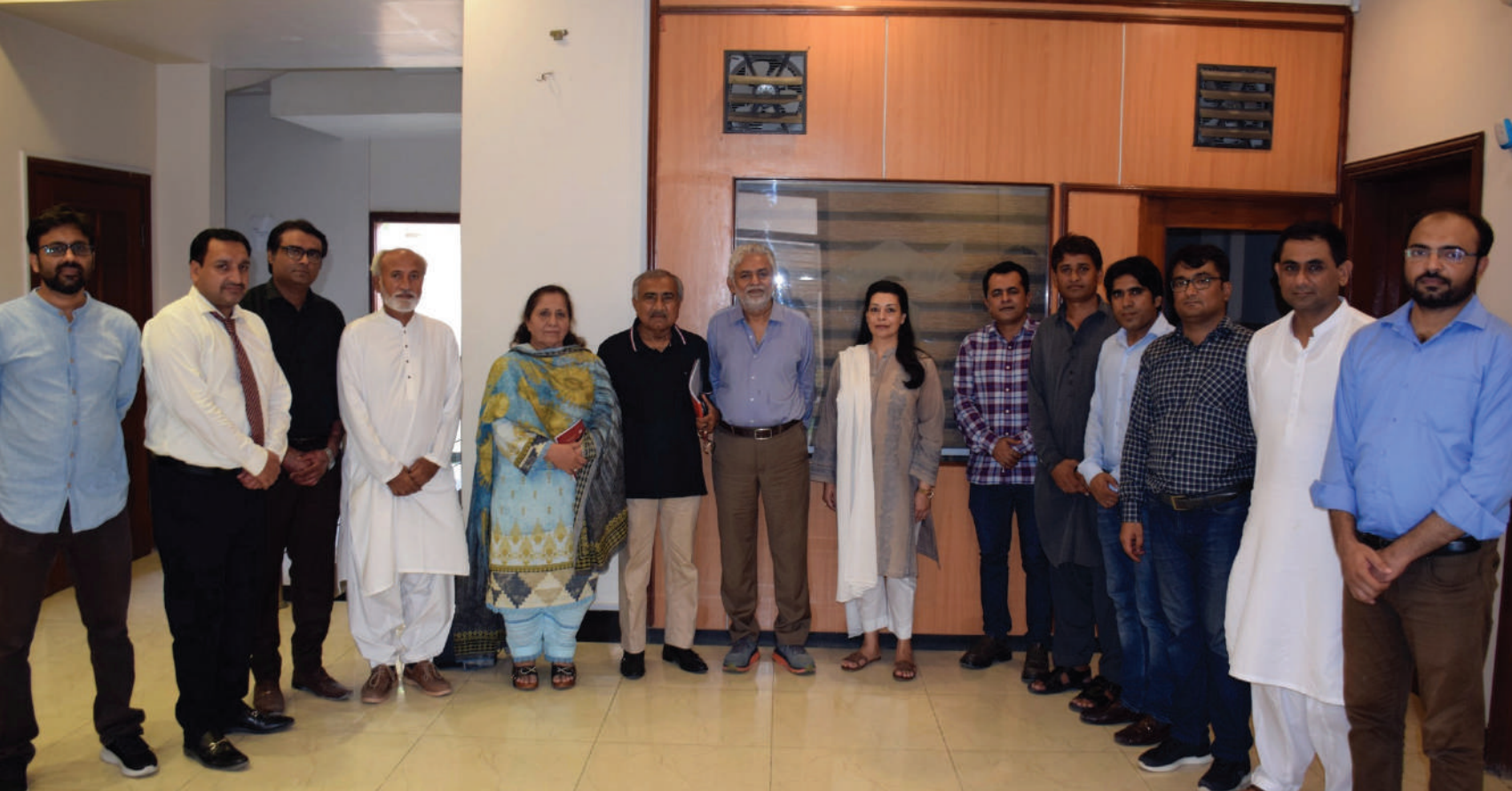
STRATEGIC GOALS

The goals and objectives are formulated to enable TMF to augment its client outreach by broadening its operations, which encompass the establishment of additional branches in unbanked regions that demonstrate potential for gender participation and a considerable presence of active entrepreneurs. Consequently, the objectives of this business plan are as follows

- Broaden operational expansion and outreach by opening new urban branches and extending into rural areas to support small farmers.
- Implement a paperless Microfinance Program to enhance client service speed.
- Leverage the potential of graduate enterprises to serve established clients and entrepreneurs with existing businesses in the market. The loan amount would be significant and granted to individuals.
- Livestock insurance will be implemented to enhance the financial resilience of smallholder farmers by protecting their assets from unforeseen losses resulting from illness, accidents, or natural disasters.
- The introduction of microfinance products, including loans for small-scale housing, renewable energy, drinking water, and other essential social services, would have an indirect impact on the household economy.
- Facilitating financial education and enhancing capacity building.







16

ACKNOWLEDGMENTS & CLOSING REMARKS

On behalf of the Thardeep Microfinance Foundation (TMF), we would like to extend our heartfelt gratitude to all those who contributed to our journey during the 2023-2024 fiscal year. Despite the challenges we faced, we remain deeply committed to our mission of promoting financial inclusion and uplifting underserved communities across Pakistan.

First and foremost, we would like to express our sincere thanks to our clients. Your trust and commitment to TMF have been the cornerstone of our success. We are honored to continue supporting you in your efforts to improve your livelihoods and achieve financial independence. Your resilience and perseverance inspire us daily to deliver better and more effective solutions.

We would also like to acknowledge the invaluable contributions of our employees, whose dedication, hard work, and adaptability have allowed us to navigate a difficult year. Despite challenges, our team has shown tremendous commitment to our mission. We remain committed to enhancing your skills and providing the resources necessary for your professional growth within the organization.

Our investors and partners have played a pivotal role in our achievements. Your financial support and belief in our social mission allow us to expand our reach and maximize our impact. We are grateful for your continued partnership and trust in our vision.

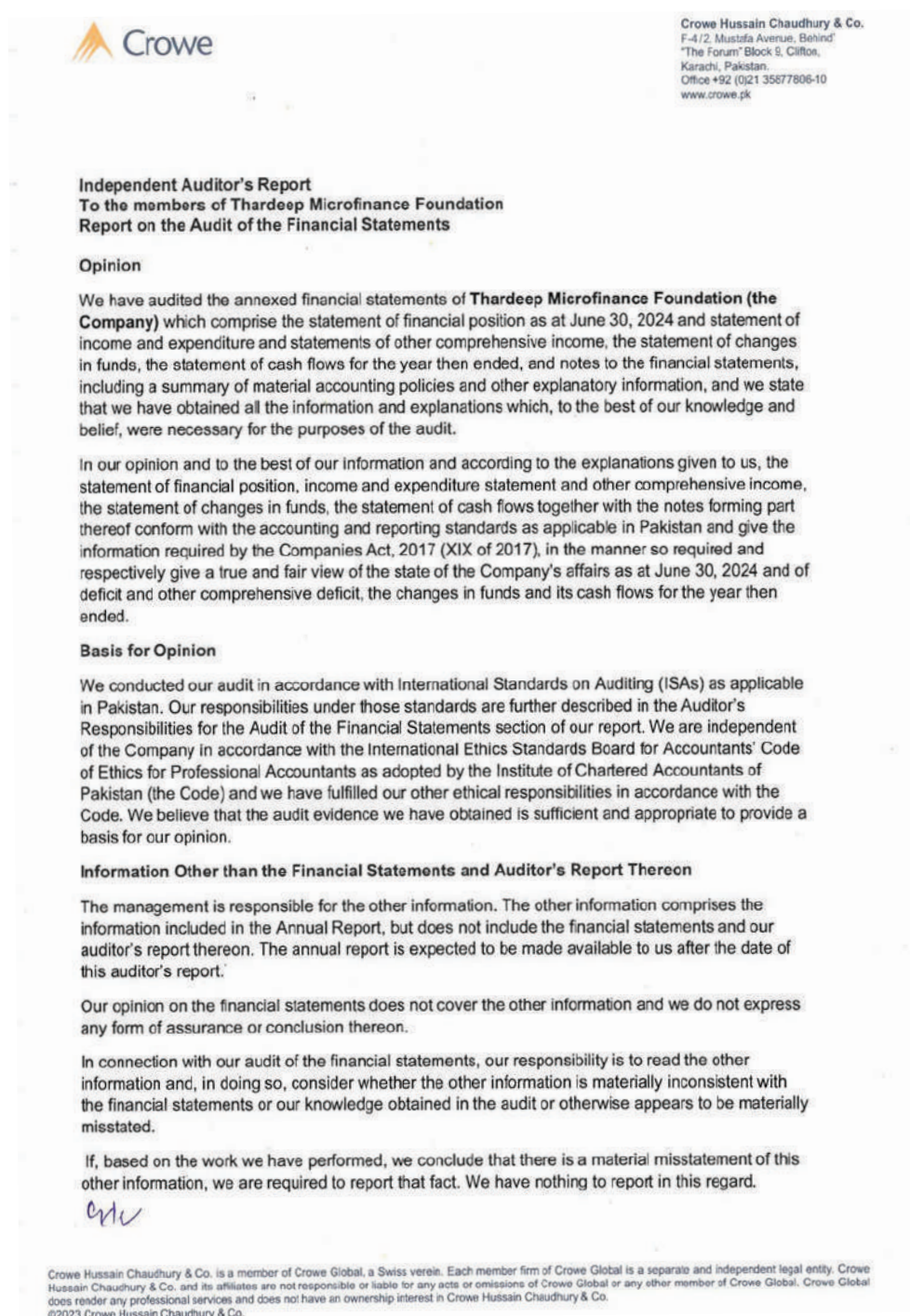
We would also like to thank the regulatory bodies for their guidance and oversight, ensuring that we operate with transparency and integrity. We appreciate the collaborative efforts that enable us to maintain high standards of governance and compliance.

Finally, we would like to express our sincere gratitude to our Board of Directors for their unwavering support and strategic guidance. Your leadership ensures that TMF stays focused on its core mission and navigates challenges with confidence and resilience.

As we move forward, we remain committed to achieving our strategic goals of expanding financial access, improving operational efficiency, and maximizing social impact. While the past year presented challenges, it also highlighted the resilience and potential of our team, clients, and partners. We are confident that through continuous improvement and innovation, TMF will continue to be a leader in the microfinance sector, contributing to the economic empowerment of Pakistan's most underserved communities.

Thank you once again to all our stakeholders for your continued support and trust. Together, we can achieve a brighter future for all.







Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

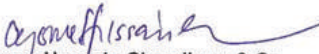
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Imran Shaikh.


Crowe Hussain Chaudhury & Co.
Chartered Accountants

Place: Karachi

Date: 21 NOV 2024

UDIN: AR2024102071rg4kwUTo

THARDEEP MICROFINANCE FOUNDATION
(A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

ASSETS

NON CURRENT ASSETS

Property and equipment	
Intangible asset	
Investment property	
Long term microfinance loan - net	
Margin against guarantee	
Long term loans and deposits	

CURRENT ASSETS

Short term investments	
Inventory	
Microfinance loan - net	
Accrued markup	
Other receivables	
Advances, deposits and prepayments	
Tax refund due from government	
Cash and bank balances	

TOTAL ASSETS

LIABILITIES AND FUNDS

NON CURRENT LIABILITIES

Deferred capital grant	
Deferred liabilities	
Sub-ordinated loan	
Long term loans	
Lease liabilities	

CURRENT LIABILITIES

Short term borrowings	
Current portion of lease liabilities	
Current portion of long-term loans	
Accrued mark-up	
Other liabilities	

TOTAL LIABILITIES

FUNDS REPRESENTED BY

Reserves arising upon demerger	
Loan loss reserve	
Members contribution	
Special loss reserve	
Revaluation surplus	
Accumulated (deficit) / surplus	

TOTAL LIABILITIES AND FUNDS

Contingencies and commitments

The annexed notes from 1 to 50 form an integral part of these financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

Note	2024	2023
	----- RUPEES -----	
6	144,927,008	88,009,397
7	13,753,865	6,113,368
8	1,500,000	424,192
9	340,519,130	334,195,332
10	390,100,000	-
11	3,823,614	12,649,212
	<u>894,623,617</u>	<u>441,391,501</u>
12	1,385,079,764	1,146,662,887
16	4,169,500	2,028,000
17	2,245,864,418	3,164,534,873
13	1,025,047,424	882,208,373
14	8,616,275	1,685,300
15	21,764,389	26,566,647
18	91,361,381	88,138,682
19	409,909,519	638,864,634
	<u>5,191,812,670</u>	<u>5,950,689,396</u>
	<u>6,086,436,287</u>	<u>6,392,080,897</u>
20	-	-
21	140,498,796	115,076,914
22	400,000,000	400,000,000
23	2,171,642,667	2,472,300,212
24	14,497,093	30,341,594
	<u>2,726,638,556</u>	<u>3,017,718,720</u>
25	1,329,226,344	1,338,782,206
24	25,751,664	34,335,553
26	1,446,266,667	1,296,092,489
27	279,996,380	257,491,726
28	96,390,528	93,298,169
	<u>3,177,631,583</u>	<u>3,020,000,143</u>
	<u>5,904,270,139</u>	<u>6,037,718,863</u>
29	165,281,109	165,281,109
	90,538,524	90,538,524
	300,000	300,000
	967,842	967,842
	72,571,831	-
	<u>(147,493,158)</u>	<u>97,274,559</u>
	<u>182,166,148</u>	<u>354,362,034</u>
	<u>6,086,436,287</u>	<u>6,392,080,897</u>

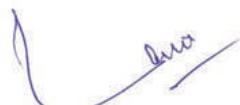
30

THARDEEP MICROFINANCE FOUNDATION
(A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

		2024	2023
	Note	----- RUPEES -----	
Financial income	31	1,143,581,266	1,258,730,887
Financial charges	32	(1,164,098,696)	(914,441,035)
Gross financial margin		(20,517,430)	344,289,852
Credit Loss Allowance	33	(48,703,560)	(108,983,042)
Gross operating margin		(69,220,990)	235,306,810
Micro finance programme and operating expenses	34	(370,985,287)	(452,803,326)
Administrative expenses	35	(147,001,459)	(186,647,147)
Amortization of deferred grant	20	-	141,956
Other expenses	36	-	(21,250,000)
Other income	37	331,303,134	291,975,181
Deficit before taxation		(255,904,602)	(133,276,526)
Taxation		-	-
Net deficit for the year		(255,904,602)	(133,276,526)

The annexed notes from 1 to 50 form an integral part of these financial statements.

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DIRECTOR


CHIEF EXECUTIVE OFFICER

THARDEEP MICROFINANCE FOUNDATION
(A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- RUPEES -----	
Net deficit for the year	(255,904,602)	(133,276,526)
Other comprehensive surplus / (deficit)		
Items that will not be reclassified to income and expenditure statement subsequently		
Surplus on revaluation of property and equipment	72,600,361	-
Actuarial gain / (loss) on remeasurement of post employment benefit plans	19,764,296	(2,539,404)
Total comprehensive deficit for the year	<u>(163,539,945)</u>	<u>(135,815,930)</u>

The annexed notes from 1 to 50 form an integral part of these financial statements.

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DIRECTOR

CHIEF EXECUTIVE OFFICER

18 DIRECTOR REPORT

For the Year Ended 30 June 2024

The years 2023-2024 continued with flat operations in post - COVID-19 pandemics, and post-super floods 2022 emerged as a big challenge. However, it is still a challenge to maintain the current loan portfolio and try to recover the remaining portfolio from rescheduling it during Covid and drought. Also, TMF witnessed multifaceted challenges:

Market Conditions:

Thardeep Microfinance encountered fluctuating capital inflow conditions that affected loan disbursements and repayments. Economic instability in the region led to a cautious approach to expanding services.

Operational Issues:

Operational challenges included integrating new technologies and training staff to use them effectively. The organization faced delays in deploying mobile banking solutions due to technical glitches.

Financial Constraints:

Financial constraints were a significant hurdle. Limited access to funding sources impacted the ability to scale operations and provide competitive loan products. Thardeep focused on optimizing resource allocation and cost-saving measures. These challenges broadly included high inflation, increased staff turnover, and slow recovery impacting portfolio growth. On the other side, the implementation of laws about Money Laundering and

Terrorist Financing, implementation of the provision of information to the right end, FBR atmosphere on tax recovery, and IT up-gradation remained institutions' questions for a response. Despite these challenges, the TMF calculated the progress in achieving the 2023-2024 plan goals.

● **Revenue Targets:**

TMF achieved 9% lesser revenues than from previous year, driven by unsuccessful product launches and market/inflation effects.

● **Cost Efficiency:**

TMF focused Operational efficiency on cost savings at the optimum level, but it did not surpass our cost-reduction target.

● **Operational Efficiency:**

Operational metrics show a significant decline in efficiency, with a reduction in recovery amount at 88% and an increase in PAR by over 5%.

● **Technology Integration:**

The integration of new technology ERP was not completed, resulting in resource losses. This integration was supposed to streamline processes and enhance productivity, contributing to overall operational excellence.

● **Workforce:**

TMF workforce was reduced by 21%, with a focus on recruiting new talent in key areas such as, LO, BO, and technology.

- **Employee Development:**

Management halted Investment in employee training and development programs, leading to stagnant skillsets and higher employee satisfaction

Retention Rates:

Employee retention rates have improved, with a decrease in turnover by 3%, Attributed to better workplace policies and women's career opportunities. TMF has completed 80 to 82% of the target for this year, which was consistent with the previous year's performance. The TMF also analyzed the three-year trend, which showed steady growth in loan disbursement, with Rs. 3.3 billion in 2021, Rs. 3.7 billion in 2022, Rs. 3.5 billion in 2023 and 1.95 billion in 2024, serving though a decreasing number of clients.

Regarding loan disbursement and recovery performance, the recovery rate stood at 88% at the closing of June 2024. The lower recovery rate was attributed to the delay caused by the livestock portfolio, which was anticipated to impact the overall recovery performance and the past three years had also experienced similar trends due to factors such as the COVID-19 pandemic and floods, which affected overall performance.

Henceforth, the Directors' Report is based on the premise that the TMF, as an integral part of the microfinance sector in Pakistan, is making a significant contribution towards economic growth in Pakistan.

The 8th (eighth) Board of Directors (BoD) Report to its members, along with the Audited Financial Statements and the Auditors' Report for the financial year ended 30 June 2024, is placed on record and for endorsement by The Annual General Meeting 2024.

The summarized results for the Year ended 30 June 2024 are as under:

- **Revenue:**

The annual audited financial results for 2023-2024 show a total income of Rs. 1,144 million, which represents 9% less compared to the previous year. This negative growth is attributed to fewer disbursement volumes and unsuccessful market penetration strategies.

- **Expenses:**

Total expenses for the year amounted to Rs. 1730 million, 4.08% higher than the previous year. Key expense categories include operational costs, salary expenditures, fund costs on investments and provision for bad debt.

Net loss:

The net loss for the year stands at Rs. 255.90 million, reflecting a 92% increase year-over-year. Negative revenue and poor cost management practices drive this decrease. Also, negative cash flow from operations indicates poor financial health, with significantly lower core business activity inflows.

FINANCE AND ACCOUNTS:

At TMF, the Board of Directors and its three Sub-Committees guide the Management in making decisions regarding the Company's financial plans, investments, and financial reporting to monitor the Company's financial performance. The Committees meet every quarter and, at times, on a need basis at the request of the Management. The audited financial statements were critically reviewed during these meetings. The Audit Committee of the Board of Directors guides and monitors the Internal Audit Department as an independent oversight function from the Finance. The Finance Department coordinates with all the Committees, Management, Banks, Investors, and other credit providers.

AUDITED FINANCIAL STATEMENTS:

The audited financial statements showed a growth trend with no adverse or qualifying remarks from the auditors. The report is comprehensive, meets all IFRS and IAS standards, and fulfills all the requirements of the Companies Act 2017. According to the statement of financial position (balance sheet) the non-current assets are PKR 895 million, whereas current assets are PKR 5192 million.. The chart below shows the financial position and income statement, which were reviewed and approved by the Board.

OTHER HIGHLIGHTS OF THE YEAR:

The Thardeep Microfinance Foundation pursues operation management based on its objectives, balancing its social and financial goals. Its operational approach is based on the principles of transparency and accuracy, including maintaining healthy solvency and adequate leverage levels with its creditors.

RISK MANAGEMENT

The Company's activities are exposed to various risks, the foremost being disasters, economic recession, high inflation, increased discount rates from SBP, and operational and market risks. In addition, capital and liquidity risks also emerged as a significant threat during the post-pandemic, and floods in 2022 had a bearing on TMF's ability to continue its growth. The Board monitors these risks and is part of its core activity. The Board and Management have developed various strategies to mitigate such risks.

DIRECTORS

During the Year 2023-24, the BoD met in plenary sessions in 04 Board meetings where the Board undertook regular items on the agenda, discussed financial and operational results of TMF in the preceding periods, and reviewed and

approved the policies. In these meetings, the Board also discussed TMF's financial outlay, reports from the external auditors, agreements with different institutions and banks, and the investment of foreign investors. The Board also provided strategic guidelines to the Management envisioning the Company's future needs. All the seven following Directors and the subsequent 2 Board Committees have been in office since the beginning of the Year.

1. Dr. Naseer Muhammad Nizamani
2. Ms. Sabiha Shah
3. Dr. Khadim Hussain Lakhia
4. Mr. Ali Abbas Sikander
(Not contested election in October 2023)
5. Ms. Maleeha Bangash
(Resigned December 2023)
6. Dr. Allah Nawaz Samoo
7. Mr. Naval Vaswani
(Resigned December 2023)
8. Ms. Yasmin Hyder
(Appointed in place of Mr. Ali Abbas Sikander)
9. Ms. Samia Liaquat Ali Khan
(Appointed in place of Ms. Maleeha Bangash effective from December 2023)
10. Dr. Muhammad Qasim Rahopoto
(Appointed in place of Mr. Naval Vaswani effective from December 2023)

COMMITTEE MEMBERS

A. MEMBERS OF HUMAN RESOURCE COMMITTEE:

1. Mr. Naval Vaswani
2. Mr. Ali Abbas Sikander
3. Ms. Yasmin Hyder
4. Ms. Samia Liaquat Ali Khan

**B. MEMBERS OF AUDIT, GOVERNANCE,
and RISK MANAGEMENT COMMITTEE:**

1. Ms. Maleeha Bangash
2. Mr. Ali Abbas Sikander
3. Dr. Khadim Hussain Lakhiar
4. Dr. Muhammad Qasim Rahopoto
5. Ms. Sabiha Shah

The Board has endorsed all the Committees' recommendations during the year.

Finally, the Directors wish to record their appreciation and acknowledge with gratitude the continued support and cooperation extended by the investors, clients, business associates, and bankers. They look forward to their ongoing support. The Directors also record their appreciation for the services rendered by the employees at all levels and acknowledge the co-operation and support extended by PMIC, Banks, and other institutions. With their permission, the achievement shown above was possible.

THARDEEP MICROFINANCE FOUNDATION – TMF

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