ANNUAL REPORT

2023-24



Islamic Microfinance Programme

FDO

FARMERS DEVELOPMENT ORGANIZATION

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FAST FACTS

Equity
161,135,482
Rupees

Total Assets
302,035,603
Rupees

Revolving of Funds
250
Million Rupees

05
Branches

OLP
108 Million Rupees

Disbursement of
254
Million Rupees

100%
Recovery Rate

4745
Active Borrowers

100%
Electronic Payments

The Dedicated Team
"A Key to Success"

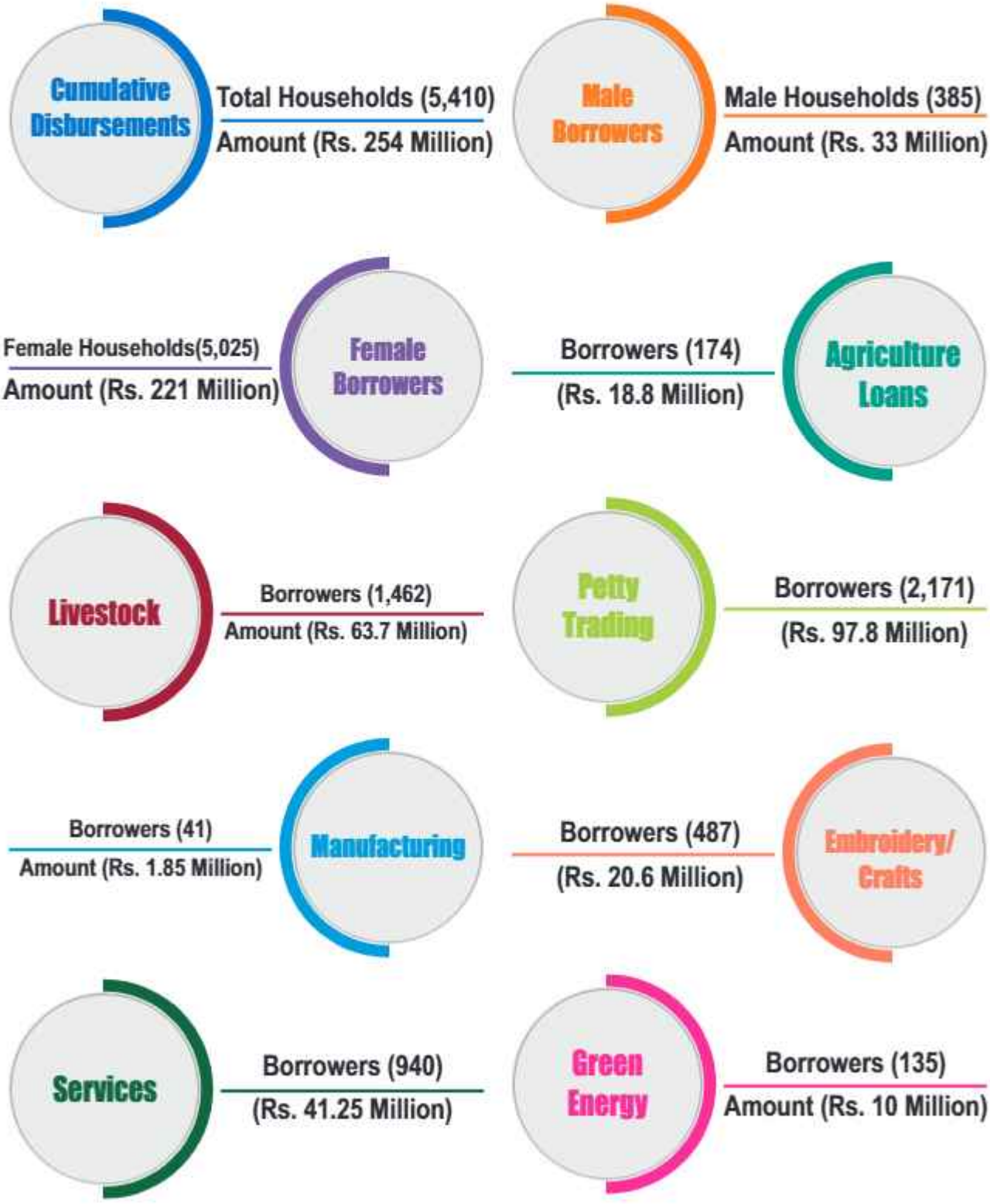




Financial & Non-Financial Perks for Team



Portfolio


Cumulative Disbursements
Total Households (5,410)
Amount (Rs. 254 Million)
Male Borrowers
Male Households (385)
Amount (Rs. 33 Million)
Female Households(5,025)
Amount (Rs. 221 Million)
Female Borrowers
Borrowers (174)
(Rs. 18.8 Million)
Agriculture Loans
Livestock
Borrowers (1,462)
Amount (Rs. 63.7 Million)
Petty Trading
Borrowers (2,171)
(Rs. 97.8 Million)
Borrowers (41)
Amount (Rs. 1.85 Million)
Manufacturing
Borrowers (487)
(Rs. 20.6 Million)
Embroidery/ Crafts
Services
Borrowers (940)
(Rs. 41.25 Million)
Green Energy
Borrowers (135)
Amount (Rs. 10 Million)

About Us



Vision

A prosperous, socially just, and resilient society



Mission

To provide innovative, Shariah-compliant financial solutions that empower individuals and businesses, promoting financial inclusion, stability, and sustainable growth with a commitment to integrity, transparency, and regulatory excellence

Programme Objectives

Primary objectives of FDO's Islamic Microfinance Program are as follows:



- Financial Inclusion & Shariah-Compliant Financing: Extend ethical, Shariah-compliant financial services to underserved communities, ensuring fairness, risk-sharing, and sustainable growth.
- Agricultural & Enterprise Development: Support farmers and small businesses with tailored financing to enhance productivity, create jobs, and boost economic resilience.
- Poverty Alleviation & Social Empowerment: Enable self-employment and economic participation, with a focus on women, youth, and marginalized groups.
- Capacity Building & Digital Transformation: Promote financial literacy, responsible borrowing, and digital financial solutions to enhance accessibility and efficiency.
- Sustainability, Compliance & Good Governance: Maintain ethical lending practices, regulatory compliance, and environmental responsibility while ensuring financial sustainability.

FDO Board of Directors

The Board of Directors of the Farmers Development Organization plays a fundamental role in guiding and steering the organization towards achieving its mission in Islamic Microfinance across Punjab. Comprising seasoned professionals and experts in accounts and finance, and community development, education sector, Government law, the Board ensures strategic oversight and adherence to ethical principles inherent in Islamic finance. Their collective expertise fosters innovative approaches to empower local communities through Sharia-compliant financial services, promoting economic stability and sustainable growth. With a commitment to transparency and governance, the Board's leadership continues to drive the organization's impact, empowering farmers and entrepreneurs to thrive in a financially inclusive environment.



Khuwaja Tahir Abbas
Director



Kaneez Zahra
Director



Hayat Ullah Khan Niazi
Director



Iffat Tahira
Director



Malik Riaz Ahmed Aasi
Director



Majid A. Sattar
Director

Message from CEO



Ghulam Mustafa
Chief Executive Officer

Farmers Development Organization (FDO) has always remained steadfast in its commitment to uplifting the socio-economic status of low-income communities by providing sustainable, ethical, and inclusive financial solutions. Over the years, we have introduced transformative projects and programs, ensuring that our interventions align with the evolving needs of the communities we serve. Today, FDO is proud to be a trusted and regulated Non-Banking Finance Company (NBFC), dedicated to bridging the financial gap by offering interest-free and Shariah-compliant financial solutions. Our Islamic Microfinance Program is a testament to our mission of empowering marginalized communities, particularly women and small entrepreneurs, by providing them with access to financial resources that help generate income, promote self-sufficiency, and foster long-term economic resilience.

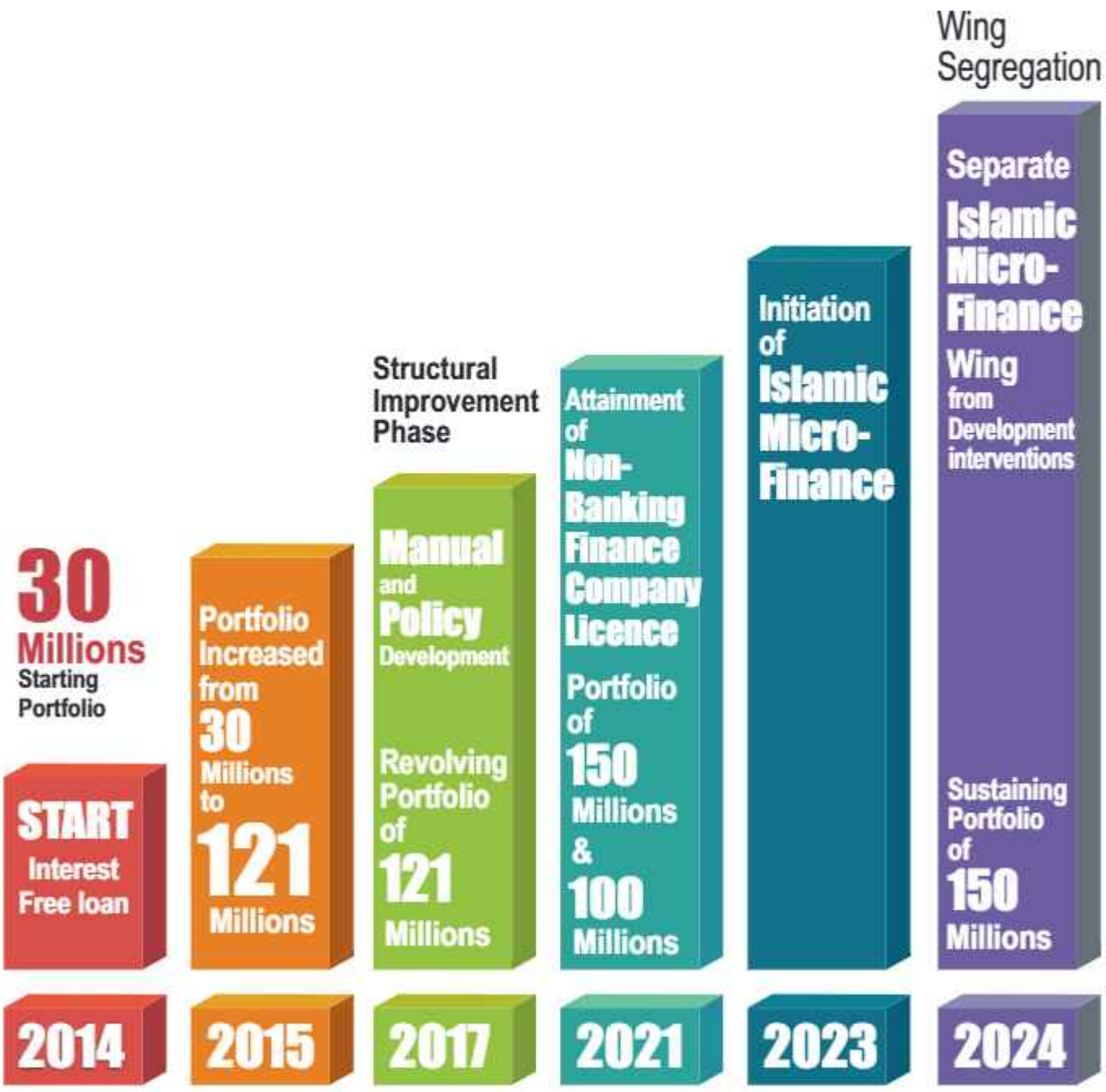
Recognizing the growing need for accessible and technology-driven financial services, we have continued to innovate and expand our delivery mechanisms, ensuring that borrowers receive financial assistance in the most convenient and efficient way. We actively incorporate stakeholder feedback and community insights, allowing us to refine our products and services to better serve the needs of our clients. In the past year, FDO successfully disbursed Rs. 254 million to 5,410 households across five districts of Punjab, contributing significantly to enhancing their income stability and financial security. More than 90% of these loans were granted to women, reinforcing our commitment to women's economic empowerment and their crucial role in household financial management. At the close of the year, our outstanding portfolio stood at Rs. 108 million, with a remarkable 100% repayment rate, maintaining a 0% Portfolio at Risk (PAR). This achievement highlights the trust and responsibility demonstrated by our borrowers, as well as the robust operational strategies implemented by FDO to ensure financial discipline and sustainability.

Our greatest strength lies in our dedicated and passionate team, whose relentless efforts drive our success. We have continuously invested in capacity building, training, and leadership development, equipping our employees with the necessary expertise to deliver high-quality financial services through diversified channels. I extend my heartfelt gratitude to the Board of Directors, management, and the entire FDO team, whose commitment and perseverance have made these achievements possible. Equally, I wish to acknowledge our borrowers and stakeholders, whose trust, engagement, and feedback have shaped our journey and strengthened our resolve to serve them better.

As we move into the next phase of our journey, I take immense pride in the remarkable progress we have made under the Islamic Microfinance Program. From humble beginnings, we have established a robust, Shariah-compliant financial model that has empowered thousands of low-income households, particularly in rural and semi-urban communities. The success of our program is a testament to our commitment to financial inclusion, ethical lending, and sustainable development. However, our journey does not end here. To further expand our impact, we are embracing digital transformation and leveraging innovative financial technologies to enhance the efficiency, accessibility, and affordability of our services. By integrating fintech solutions, streamlining operational processes, and expanding outreach mechanisms, we aim to bridge the gap between financial institutions and underserved communities, ensuring that even the most remote households have access to life-changing financial support.

Our vision for the future remains steadfast—to provide ethical, sustainable, and inclusive financial services that empower individuals to break free from economic instability and achieve long-term financial resilience. We are committed to scaling our operations, expanding our branch network, and introducing customized financial products that address the unique needs of diverse communities. Through strong governance, integrity, and a shared sense of purpose, we will continue to work alongside our stakeholders, borrowers, and dedicated team members to create lasting socio-economic change. With trust, determination, and innovation, we are confident that we will make financial independence a reality for thousands of underprivileged families across Pakistan, paving the way for a more inclusive and prosperous future for all.

Islamic Microfinance 10 Years History



Management Team



Asif Shehzad
Managing Director
Islamic Microfinance



Nasir Mehmood
& Head of Finance



Muhammad Waqas
Head of Islamic Microfinance



Motsim Billah Hashmi
Manager Operations and Compliance



Shabbir Hussain
Risk Management Coordinator



Abdul Ghafoor
Area Coordinator

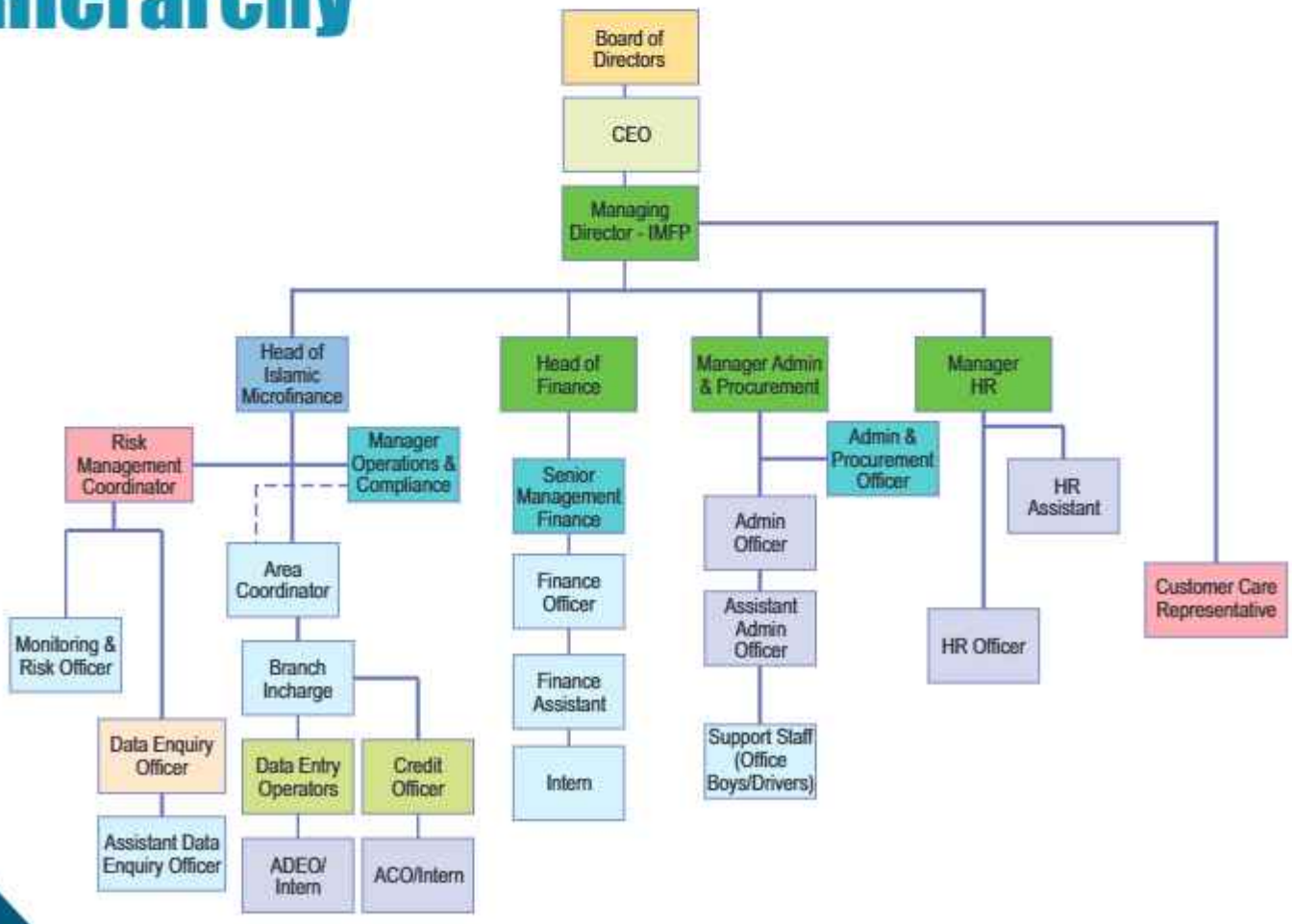


Farah Khan
HR Assistant



Asma Anwar
Customer Care Representative

Hierarchy

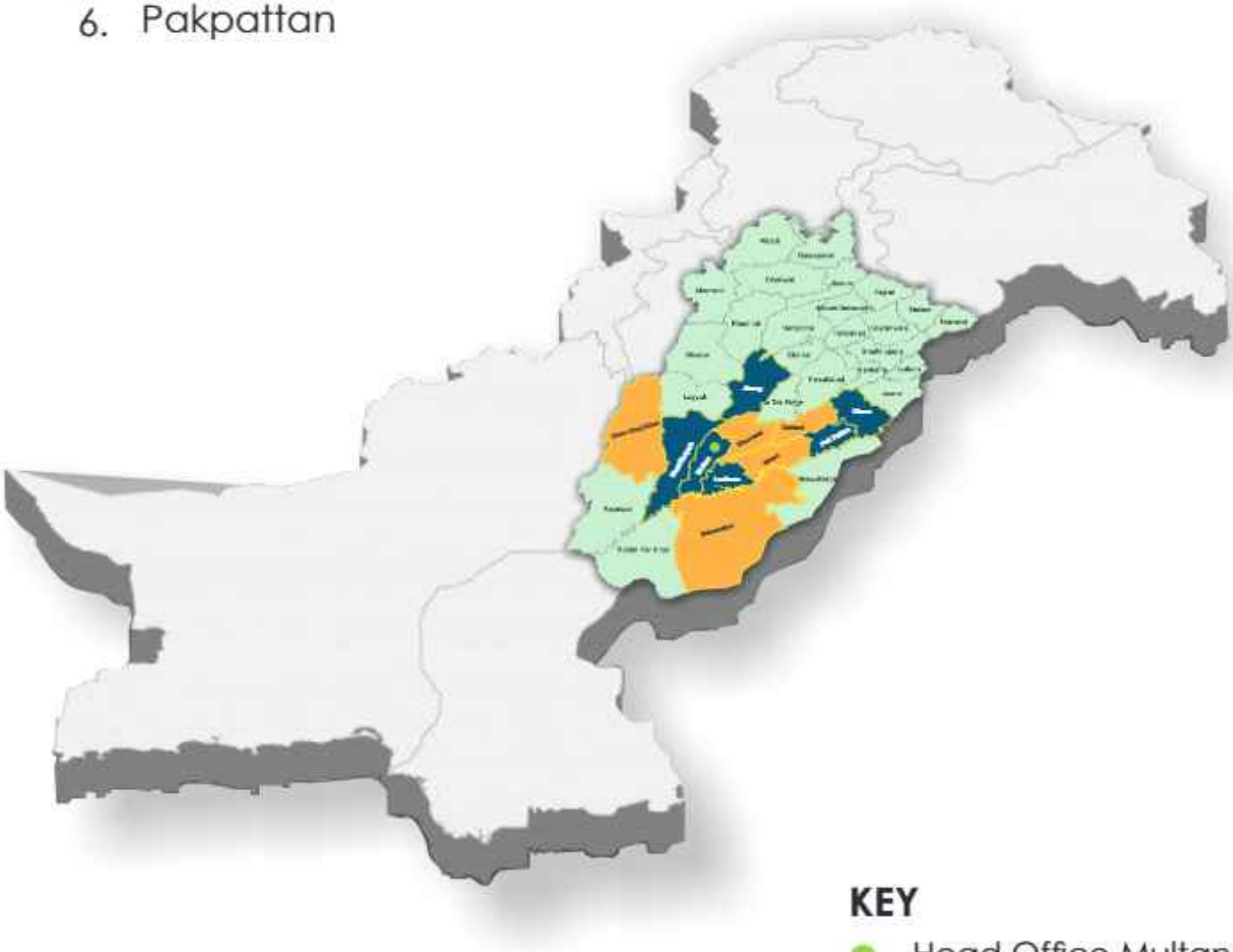


Geographical Outreach

FDO Islamic Microfinance

Districts of Work

1. Multan
2. Lodhran
3. Muzaffargarh
4. Jhang
5. Okara
6. Pakpattan



KEY

- Head Office Multan
- FDO Presence
- FDO Branches

Our Products and Services

Murabaha

Murabaha is a Shariah-compliant microfinance product opted by the Farmers Development Organization (FDO) to offer interest-free financial support to low-income households and small entrepreneurs. This product aims to address the financial exclusion faced by those in underserved communities who are unable to access affordable credit through conventional banking systems, which often involve interest charges. It is an asset-backed financing model, where FDO purchases the required goods, such as household items, machinery, or business tools, on behalf of the household and sells them at a pre-agreed profit margin. Unlike traditional loans, which charge interest, Murabaha ensures that the cost is transparent and fixed, allowing households to access essential goods without falling into debt traps. The repayment plan is designed to be flexible and manageable, with installments that align with the financial capacity and income cycles of low-income families. This ethical financing mechanism not only ensures financial inclusion but also promotes economic empowerment by providing low-income households with the necessary resources to improve their living conditions or enhance their small businesses.

Key Sectors

Agriculture



Minimum Loan
Rs. 30,000
Maximum Loan
Rs. 150,000
Loan Duration
6 Months

Livestock



Minimum Loan
Rs. 30,000
Maximum Loan
Rs. 100,000
Loan Duration
12 Months

Small Enterprise



Minimum Loan
Rs. 30,000
Maximum Loan
Rs. 100,000
Loan Duration
12 Months

Manufacturing



Minimum Loan
Rs. 30,000
Maximum Loan
Rs. 100,000
Loan Duration
12 Months

Green Energy



Minimum Loan
Rs. 30,000
Maximum Loan
Rs. 150,000
Loan Duration
12 Months

Customer Care

At Farmers Development Organization, we prioritize exceptional customer care as a cornerstone of our commitment to financial inclusion and rural prosperity. Our dedicated team ensures that every interaction with clients—farmers, small entrepreneurs, and rural communities—is marked by respect, transparency, and responsiveness. Through tailored financial solutions, timely assistance, and proactive engagement, we empower our customers to make informed decisions that enhance their livelihoods. We continuously invest in training, technology, and feedback mechanisms to improve service delivery, resolve concerns efficiently, and build lasting relationships. Our customer-centric approach reflects our mission to foster financial empowerment and sustainable growth in the communities we serve.

Inspiring Stories



Story of Saba Faryad

Saba Faryad, a resident of Mouza Bagh Jhang, is a shining example of determination and entrepreneurship. This young beautician, married to an auto mechanic, has not only supported her husband but has also empowered other girls in her community.

After completing her matriculation, Saba pursued a beautician course, which became the turning point in her life. Despite the societal norms and expectations, she decided to take the unconventional path and start her own business. With the support of her husband, she applied for a loan from the Farmers Development Organization (FDO) under the Government's IFL scheme, in collaboration with PPAF. She received an initial loan of 40,000, which she utilized to establish her beauty salon. After successfully repaying the first loan, she was eligible for a second loan of 50,000 the following year, which she used to purchase cosmetics and expand her product offerings. With this expansion, she started selling cosmetics at her parlor, which significantly boosted her income. Her monthly income increased from 500 rupees after the first loan to 800 rupees after the second loan, a testament to her hard work and smart business decisions.

Saba's journey was not without challenges. She faced resistance from some quarters of society, where women were expected to conform to traditional roles. However, she remained resolute and focused on her goal. Her hard work and dedication paid off, and soon her salon became a hub for women seeking beauty services.

What sets Saba apart is her commitment to empowering other women. She has taught the beautician course to 15 girls, six of whom have gone on to start their salons. This ripple effect has created a positive impact on the community, generating employment opportunities and promoting financial independence for women.

Saba's success story is a testament to the power of determination and the impact one person can have on the lives of others. She has not only supported her husband but has also inspired a new generation of women to pursue their dreams. Her business has become a symbol of hope and resilience, breaking taboos and challenging societal norms. Through her journey, Saba has demonstrated that with the right support and resources, women can overcome obstacles and achieve their goals. As Saba continues to grow and expand her business, she remains committed to empowering other women, and creating a lasting legacy in her community.





Story of Muhammad Rafiq

Pakistan's economic challenges, marked by inflation and industrial decline, have made it increasingly difficult for individuals to sustain livelihoods, let alone dream of expanding their ventures. However, organizations like the Farmers Development Organization (FDO) are turning these challenges into opportunities by empowering individuals through Islamic Microfinance Programs (IMFP).

One such inspiring success story is Muhammad Rafiq, a resident of Depal Pur, District Okara. Rafiq, a skilled entrepreneur in box manufacturing for bakery items, faced financial constraints that limited his ability to grow his business. Seeking a solution, he approached FDO's Depal Pur branch and availed Murabaha-based financing of PKR 100,000 under the IMFP.

With the financing, Rafiq purchased essential raw materials to enhance his production capacity. This strategic investment allowed him to not only expand his operations but also cater to the demand of local markets and surrounding cities. Over time, Rafiq availed financial services from FDO four times, demonstrating his trust in FDO's ethical financial model and his commitment to business growth.

The results were transformative. Rafiq's business expansion created job opportunities, enabling him to employ three individuals from his community. His monthly income rose to PKR 30,000–35,000, significantly improving his household's financial stability.
"I am deeply thankful to FDO for their financial support. They empowered me to expand my business, which not only improved my livelihood but also created opportunities for others in my community," Rafiq shared.

FDO's commitment to providing Shariah-compliant financial services is not just about empowering individuals; it is about fostering a ripple effect of economic growth and community development. Muhammad Rafiq's story is a testament to how financial inclusion can transform lives and contribute to local economies, even in challenging times.

As FDO continues to champion the cause of financial empowerment, stories like Rafiq's inspire hope and reaffirm our mission: to uplift communities, one entrepreneur at a time.





Risk Management

Farmers Development Organization has developed a supportive tool to mitigate the risks during Islamic Microfinance Program. A separate team to monitor and manage the risk has been deployed which manages the risk by considering the following procedures:
The field team or 1st line team are proposed or expected to manage the risks within their areas of operations with leadership of Heads of Departments. Any type of risks is therefore communicated through the Risk and Control self-assessments guided by the risk management framework.

The organizational level leadership is the 2nd line of control and defense to mitigate the risks. These are mitigated by assuring the risk management and risk management policies respectively. They undertake independent risk assessments and promote awareness to the field teams.

In this phase, internal and external audit team assure the functions to mitigate the risks and provides reasonable assurance to FDO Board on the adequacy of Risk Management Processes.

Annual Statement

FARMERS DEVELOPMENT ORGANIZATION (FDO)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024	2023
		Rupees	
FUNDS AND LIABILITIES			
General Funds-unrestricted fund	4	161,135,482	58,222,835
Loan revolving Fund-Restricted Fund		132,747,500	140,500,000
		293,882,982	198,722,835
NON CURRENT LAIBILITIES			
Micro-credit revolving fund	5		90,869,933
			90,869,933
CURRENT LIABILITIES			
Account payables	6	8,152,621	6,793,793
		8,152,621	6,793,793
Contingencies and commitments	7		
TOTAL LIABILITIES		8,152,621	97,663,726
TOTAL EQUITY AND LAIBILITIES		302,035,603	296,386,560
ASSETS			
NON CURRENT ASSETS			
Operating fixed assets	8	27,865,417	25,510,884
Long term security deposits	9	1,603,338	724,538
		29,468,755	26,235,422
CURRENT ASSETS			
Advances, deposits and prepayments	10	410,553	542,599
Outstanding Loan Portfolio	11	108,881,327	133,956,238
Other receivables	12	52,075,189	1,591,191
Cash and bank balances	13	111,199,779	134,061,110
		272,566,848	270,151,138
TOTA ASSETS		**302,035,603**	**296,386,560**

FARMERS DEVELOPMENT ORGANIZATION (FDO)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		Rupees	
Income	**14**	**415,320,433**	**381,517,648**
Program cost:			
Microfinance Projects:			
Islamic Microfinacne	15	40,084,406	15,042,818
Developing Projects:			
Livelihood Enhancement for Disadvantaged	16	111,510,129	267,235,175
Improved Governance of Social Services	17	126,677,177	59,012,958
Disaster/Emergency Response	18	34,743,081	5,631,152
Program Personnel Cost	19	79,447,974	17,308,592
Administrative and General Expenditures	20	24,698,741	30,216,678
		417,161,508	394,447,373
Operating Surplus/(Deficit)		(1,841,075)	(12,929,725)
Other income	**21**	16,092,090	13,711,569
Surplus before financial charges		**14,251,014**	**781,844**
Financial charges	22	(158,140)	(41,159)
Surplus before taxation		**14,092,875**	**740,685**
Taxation	**23**		
Surplus for the year		14,092,875	**740,685**
Total comprehensive surplus for the year.		**14,092,875**	**740,685**

FARMERS DEVELOPMENT ORGANIZATION (FDO)
STATEMENT CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		Rupees	
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus for the year		14,092,875	740,685
Depreciation	10	3,211,684	2,102,351
Gain on disposal of vehicle	21.2		(2,287,843)
		17,304,559	**555,193**
Changes in working capital			
(Increase)/decrease in current assets			
Advances, deposits and prepayments		132,046	196,212
Other receivables		(50,483,998)	2,929,069
MicroFinance Loan Portfolio		25,074,911	39,484,564
Increase/(decrease) in current liabilities			
Account payables		1,358,829	(4,018,106)
		(23,918,212)	**38,591,739**
Net cash generated from/(used in) operating activities		**(6,613,654)**	**39,146,932**
CASH FLOW FROM INVESTING ACTIVITIES			
Operating fixed assets	10	(5,566,217)	(5,736,402)
Sale of fixed assets	10.1		3,000,000
Projects Closed	4	1,583,398	
Capital donation	4		1,516,07
Long term security deposits	11	3 (3,633,559)	
Net cash generated from/(used in) investing activities		(878,800)	(609,200)
		(8,495,178)	**(1,829,529)**
CASH FLOW FROM FINANCING ACTIVITIES			
Micro-credit revolving fund	6		
Revolving fund			(9,631,576)
Net cash generated from/(used in) financing activities		(7,752,500)	(9,500,000)
		(7,752,500)	**(19,131,576)**
Net increase/(decrease) in cash and cash equivalent		**(22,861,331)**	**18,185,828**
Cash and cash equivalent **at** the beginning of year		134,061,110	**115,875,282**
Cash and cash equivalent at the end of year		**111,199,779**	**134,061,110**



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