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CEO's Message

Greetings!

After the decline in Covid-19 cases as economy opened up, we opened Karandaaz offices under strict protocols to restart our activities. During the quarter we made substantial effort to cover some of the lost ground in the implementation of key projects.

I am happy to share that one of our investments under our risk participation with Meezan Bank has resulted in the financing of the production of breathing devices in Pakistan. This breakthrough is helping not only save lives and ease the burden of disease on the country but has also opened a new avenue of export and revenue for a Pakistani enterprise.

A new equity investment deal, signed in this quarter between Karandaaz and Secure Logistics (Pvt) Ltd (SLG), has opened the doors for a homegrown logistics business to substantially scale its business. This will help SLG not only prepare itself for playing a major role as regional trade boosts up but will also create jobs, further corporatize the logistic industry, and add value to the domestic economy.

The launch of the Women Ventures, which was previously known as Women Entrepreneurship Challenge has been a great step ahead for Karandaaz in this quarter. Through WV, Karandaaz aims to support a larger number of women-led businesses to meet their ambitions of business expansion, increase organisational sophistication and improve their prospects of raising commercial capital from formal financial markets. The application window for WV will be open throughout the year and women-owned and led businesses are welcome to reach out to us for technical support and financial support at any time. To leverage private sector funds, we have also forged partnerships with other investors and accelerators that focus on women-led businesses.

We used this time to also produce some very significant publications under our research and knowledge management function. Our research papers on themes such as savings, digitalization of utility bill payments, stock of the demand and supply for access to credit, and legal framework for startups in Pakistan have been really insightful studies and can be accessed on Karandaaz website under the publications section. I urge you all to take some time out and go through them. Your feedback will help us identify more areas where there are knowledge gaps and we can divert our attention towards.

Wishing health and safety for your families and loved ones.

Ali Sarfraz
 CEO, Karandaaz Pakistan

Newsflash

► UK financing the Production of Breathing Devices in Pakistan through Karandaaz partnership with Meezan Bank

United Kingdom through Karandaaz's Risk Participation Facility with Meezan Bank, Pakistan's first and largest Islamic bank is financing the development and production of a High Flow Nasal Oxygen (HFNO) device, which can also be used as a Continuous Positive Airway Pressure (CPAP) device, by Alsons Group, Pakistan's premier precision engineering company. Karandaaz, funded by United Kingdom's Office of Foreign, Commonwealth and Development Office (FCDO), has established a USD 50 million financing programme with Meezan Bank, which enables vendors and distributors of participating corporates and other eligible SMEs access to finance.

The HFNO device is very important for hospitals to treat Covid-19 patients with lung infections and also other serious respiratory diseases and has been approved by the Drug Regulatory Authority of Pakistan (DRAP), to help manage oxygen levels. The device is currently in the prototype production phase and commercial production is expected to begin by the end of this month. Alsons is also working to indigenously design and develop a ventilator, which once approved, will be locally in production in the near future.



Annabel Gerry, Country Director Development, British High Commission in Pakistan, said,

“Pakistan's response to the COVID-19 challenge has been commendable. The United Kingdom is pleased to be supporting Pakistan in its effort to tackle the pandemic. Our financing assistance through Karandaaz to support breathing devices will be an important element in easing the burden of serious disease in the country.”

Ali Sarfraz, CEO Karandaaz Pakistan said,

“With more than 300,000 cases of COVID-19 in Pakistan and well over 25.6 million globally, the demand for breathing devices and ventilators has grown exponentially. This pioneering capacity enhancement by Alsons, as they have started producing breathing devices will help Pakistan meet its domestic demand for critical medical equipment and will also open an avenue for exports in highly lucrative international markets.”

Navid Goraya, CIO Karandaaz Pakistan said,

“PKR 50 million financing under the Risk Participation Agreement with Meezan Bank will support Alsons financial requirement for capacity enhancement to produce ventilators for both local and export markets. The financing is well aligned with Karandaaz's focus on the demonstration of sustainable investment models and job creation in Pakistan.”

Ariful Islam, Deputy CEO of Meezan Bank said,

“Meezan Bank is committed to supporting organizations that are working to tackle the impact of Covid-19. We believe that this financing will help alleviate some of the pressures on the country's healthcare sector. We are thankful to Karandaaz Pakistan for enhancing their partnership so the Bank could materialise this as a priority.”

Abdul Rehman Allana, Chairman Alsons Group said,

“ Alsons has over 65 years of manufacturing experience in the machining of mechanical components from bars, plates, forgings and castings; and CNC plastic injection molding, stamping, and assemblies in the fields of hi-tech engineering, aerospace, automotive, oil & gas, and power and energy. We already had capital from Karandaaz and Meezan Bank risk participation facility injected into our auto parts manufacturing unit. With this new investment we are able to diversify in the medical equipment domain and are proud that we are playing a role in helping battle the pandemic. ”

According to Global Data, a data and analytics company that specializes in medical transaction and clinical information, about 880,000 ventilators are required globally amid the COVID-19 pandemic. Since the outbreak of the pandemic, the world has faced an acute shortage of essential medical supplies, especially ventilators that are used to pump oxygen into the lungs of patients experiencing breathing difficulties. To meet the financing gap in the medical supplies and equipment manufacturing sector in Pakistan, the State Bank of Pakistan has also expanded the scope of the Refinance Facility to Combat Covid-19 (RFCC) to manufacturing sector producing medical equipment and accessories. Karandaaz is also focusing to specifically mitigate the financing needs of medical, diagnostic, and pharmaceutical industries in the country and through direct investment in Excel Labs to carry out an estimated 500 tests daily and more than 10,000 tests a month.

► Karandaaz Pakistan Investment in Secure Logistics Group to create over 600 Additional Jobs

Karandaaz with the funding from the United Kingdom's Foreign, Commonwealth and Development Office (FCDO) has signed an equity investment deal with Secure Logistics (Pvt) Ltd (SLG). Karandaaz's equity investment with added co-investment from an international investor, Saudi Bugshan Group (Bugshan Group) in SLG, totals to PKR 1.2 billion. The investment, in addition to enabling SLG to expand its existing long-haul fleet, will also help it in expanding into additional segments of short-haul distribution and warehousing – thus becoming a leading domestic 3 PL player offering “one-window solutions” to clients supported by an in-house vehicle and asset tracking capability. The investment is expected to create more than 600 direct and indirect additional jobs in the logistics sector of the country.



Ali Sarfraz, CEO Karandaaz Pakistan, while speaking about the investment said,

“ We are pleased to announce our investment in SLG, one of the leading logistics service providers in the country. As a result, over 600 additional jobs will be created, through direct employment by SLG or indirect employment in the supply chain. The fresh capital will help the Company substantially scale the business, create jobs, help further corporatize the logistic industry, and add value to the domestic economy. We continue to hold on our commitment to make a positive impact on SMEs and the economy at the macro level by inducing growth capital and creating employment. ”

Navid Goraya, the Chief Investment Officer of Karandaaz Pakistan said,

“ Karandaaz is successfully diversifying its portfolio of investments in SMEs in different sectors. This investment along with the Bugshan Group in SLG will create a positive impact by demonstrating the ability of development capital to address growth barriers. Overall, this will bring improvements in the logistics sector. We are confident that the investment will induce growth and generate additional value for SLG in particular, and overall for SMEs operating in the sector. ”

Gulraiz Khan, CEO SLG said,

“ SLG has been rendering a broad array of solutions specializing in Logistics and Vehicle Fleet Management Services across Pakistan. We are grateful to have UK’s FCDO, Karandaaz and Bugshan Group as our partners. The additional capital that our investors have entrusted us with, will not only help the Company in widening the scope of its operation but will also help to transform Secure Logistics into an end to end logistics player. ”

According to the World Bank’s aggregated Logistics Performance Index (2012-18) Pakistan ranks at 95 among 167 countries. A strong logistics sector in a country will help in not only reducing the costs involved in transporting goods but will high quality logistics services also enhance the competitiveness of a country’s exports. Overall infrastructure and logistics services available in a country directly impact the national as well as international trade. The growth dynamics of the transport & logistics sector surpassed the annual growth rate of GDP during 1991 and 2016. It contributed 13.3% to the GDP in 2016-2017 and according to a 2018 paper of the Planning Commission Government of Pakistan; the logistics sector was responsible for the creation of approximately 3 million formal jobs.

► Karandaaz Women Ventures Launched: An Initiative to Provide Financing for Businesswomen

Karandaaz Pakistan, with support from United Kingdom’s Foreign, Commonwealth and Development Office (FCDO), has launched a new financing programme to improve access to finance for women businesses. This new initiative, titled “Women Ventures”, will start accepting applications from eligible women-led and owned businesses on a rolling basis throughout the year. Women Ventures (WV) has evolved from Karandaaz’s earlier pilot programme-Women Entrepreneurship Challenge (WEC)-which successfully ran for three consecutive years and has made investments of PKR 340 million in 18 women-led businesses and generated approximately PKR 700 million in revenue for these businesses and supported over 900 jobs. As part of WV, Karandaaz will be entering into partnerships with co-investors and market developers to serve a larger number of women enterprises and to strengthen the ecosystem supporting this market segment.

Accredited institutional partners that are interested in pipeline-sharing and or co-investing can apply to become part of the WV initiative. Currently Fatima Gobi Ventures - a joint venture between Fatima Ventures (Pvt.) Limited and Gobi Partners, Social Innovation Lab, and Telenor Velocity have already partnered with Karandaaz on the WV programme.

WV is open to businesses from all sectors and applicants may apply from anywhere in the country. Businesses with at least 51% or majority shareholding by a woman who has a direct role in the management are eligible to apply for WV financing. Ideally, the business should have operational history of at least 3 years and revenue (sales) of at least PKR 5 million in the last 12 months. In exceptional cases, a business with an operational history of less than 3 years may also be considered provided it is generating sufficient revenues and demonstrates high potential for scalability and growth. More details about WV can be found at <https://wv.karandaaz.com.pk/>

More details about WV can be found at <https://wv.karandaaz.com.pk/>

Ali Sarfraz, CEO Karandaaz Pakistan said,

“WV is an institutionalized and scaled-up version of the women entrepreneurship challenge programme which was launched in 2017. WV will support high growth, scalable, women-led enterprises in Pakistan; a segment that has traditionally faced a negative bias in accessing growth capital through formal financial channels. WV has a unique approach because growth capital provision is augmented by customized business development services that helps maximise chances of success of women-led businesses. It is the only investment instrument in the local market that offers meaningful capital on development finance terms based on the capacity and growth needs of these business. Through WV, Karandaaz aims to support a larger number of women led businesses to meet their ambition of business expansion, increase organisational sophistication and improve their prospects of raising commercial capital from formal financial markets. ”

Dr. Shamshad Akhtar, Chairperson Karandaaz Pakistan said,

“ The case for supporting women-led businesses is simple. In Pakistan only 8 percent of micro, small and medium enterprise (MSME) owners are women. Access to finance is 6 percent and only 1 percent of women are engaged in entrepreneurial activities as opposed to 21 percent of men. Notwithstanding the dearth of capital and tough business conditions, a growing number of women-led businesses are emerging in both traditional and non-traditional areas. They are creating new jobs and introducing innovation in business practices. However, for a positive cyclical effect and to fully realise women’s economic potential institutional mechanisms and partnerships are needed in terms of access to finance and supportive ancillary business development services. By providing growth capital to women-led businesses under the newly structured Women Ventures, we hope to demonstrate their commercial viability for investment, motivating banks and investors to view them as serious market contenders. ”

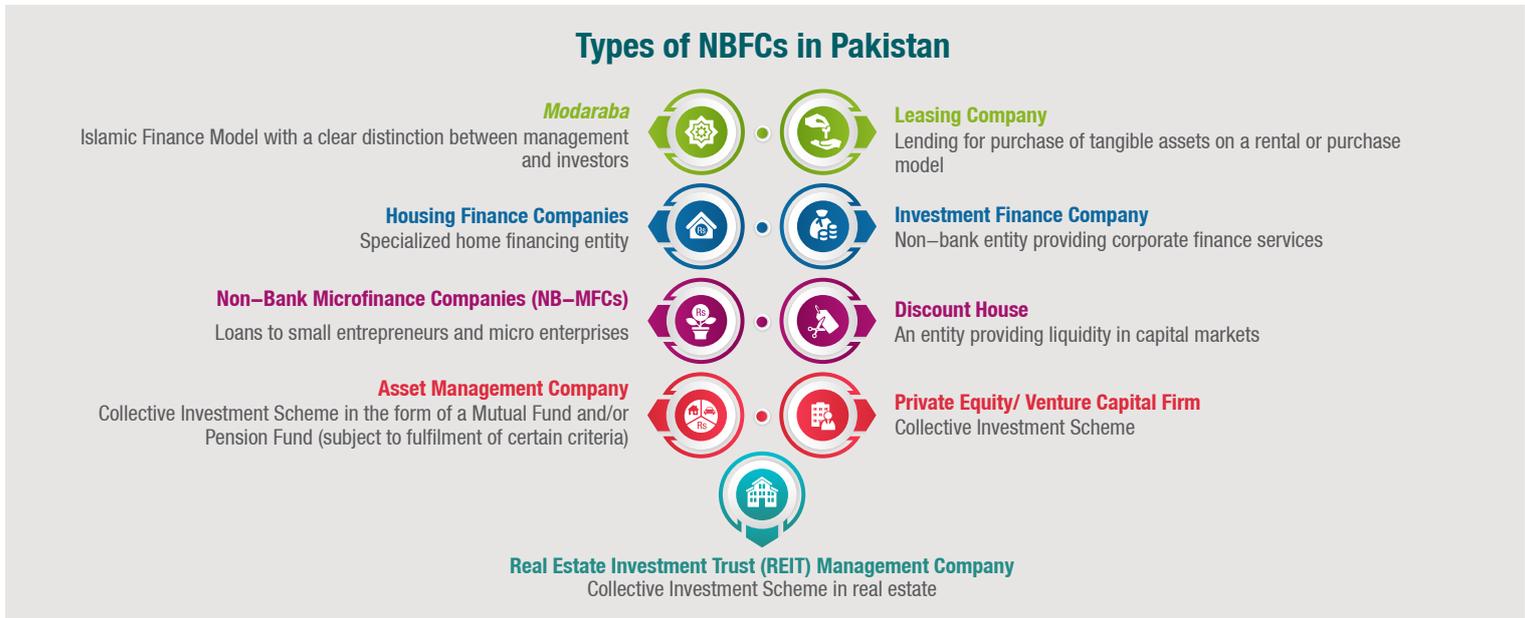
Ms. Annabel Gerry, Country Director Development, British High Commission, said,

“ No lasting developmental impact is possible, either socially or economically, if half of the world’s population is not empowered to reach their full potential. Eliminating extreme poverty in the developing world and meeting the global challenges that will emerge in the next decade will require the talents and potential of whole populations, not just one half. While businesswomen have traditionally faced greater challenges in accessing financing, they have been better at reaping higher dividends, responsibly handling funds, and making sustainable social impact once their businesses grow. FCDO’s objective behind WV is to promote a trusted platform that supports women entrepreneurship in Pakistan for increased economic activity and job creation. ”

Research Showcase

► Regulatory Framework for NBFCs in Pakistan-The SME Lending Perspective

The notified amendments to the NBFC regulations provide long-awaited clarity with respect to the operational aspects of SME financing for these institutions. With limited avenues to raise finance, domestic SMEs are heavily reliant on commercial banks, which give low consideration to this high risk and low-ticket clientele. Our research suggests that regulators should follow a coherent approach to minimize the operational bottlenecks for these institutions and provide them with a level playing field, so that they become an effective channel to serve underserved segments.



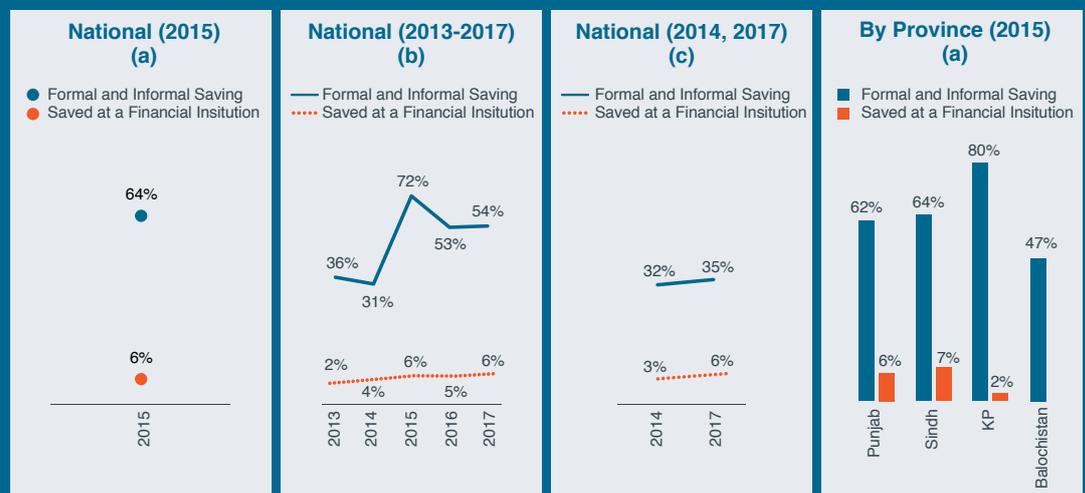
► Savings in Pakistan-What do the Numbers Tell Us?

Savings constitute an important driver for financial inclusion. Access to savings instruments enable households to smoothen consumption and investment in human and business capital. In the context of national economies, savings have a direct impact on economic growth and investment. Our note considers demand and supply side statistics to develop a more granular view of the savings landscape of the country, with specific emphasis on sub-national representation. Currently, three demand side surveys—Access to Finance (A2F), Global Findex (Findex), and Financial Inclusion Insight (FII)—provide information on the savings practices, perceptions and needs of the people in Pakistan.

Do Pakistanis Save?

The proportion of respondents reporting savings at a formal financial institution was 6% as per three demand side financial inclusion surveys conducted in Pakistan:

- Access to Finance (A2F) - 2015
- Financial Inclusion and Insights (FII) - 2017
- Global Findex (Findex) - 2017

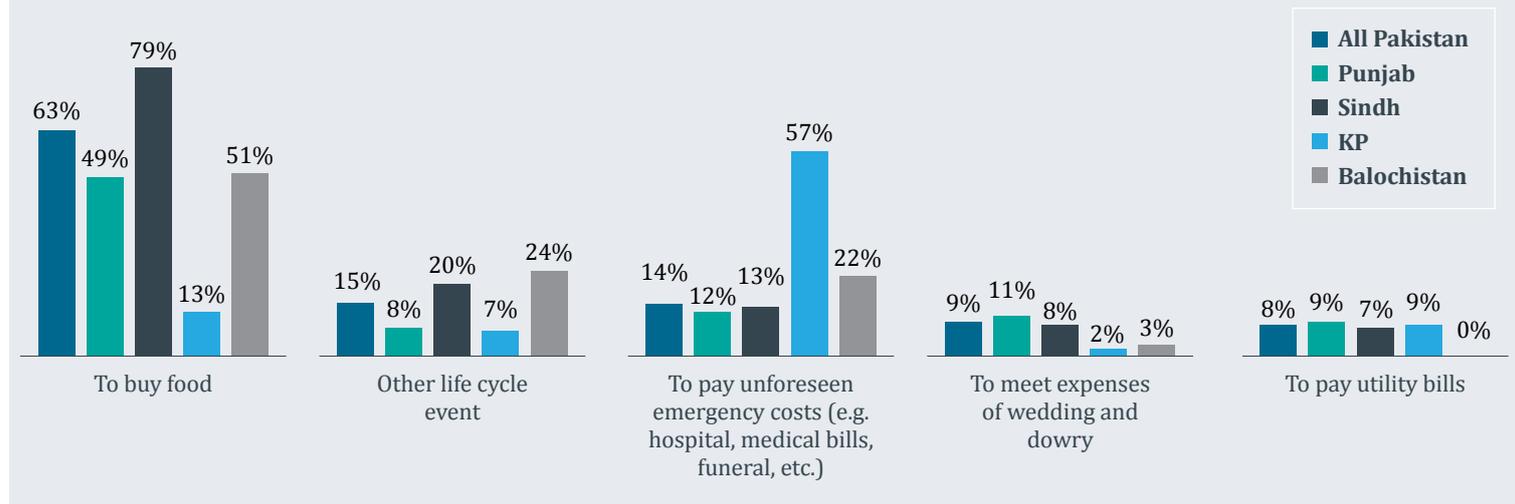


Notes: (i). A2F Survey - Results from the 2008 wave have not been included due to significant changes in the A2F questionnaire. (ii). Balochistan has not been included in the provincial comparison chart as Balochistan's reading for proportion of savers using formal financial institutions is based on a low sample base of 1,617 respondents and therefore was not considered to be sufficiently accurate.

▶ Access to Credit in Pakistan-Dissecting the Demand and Supply

Access to credit is important for economic growth, creating employment and smoothening consumption for households. The objective of this policy brief is to answer incisive questions around borrowing in Pakistan: What is the incidence of borrowing among adults? Why do they borrow and what are their preferred means to attain loans? To answer these questions and more, the paper draws on data from multiple demand side surveys on financial inclusion available for Pakistan.

Reasons To Borrow (Province Wise Responses)

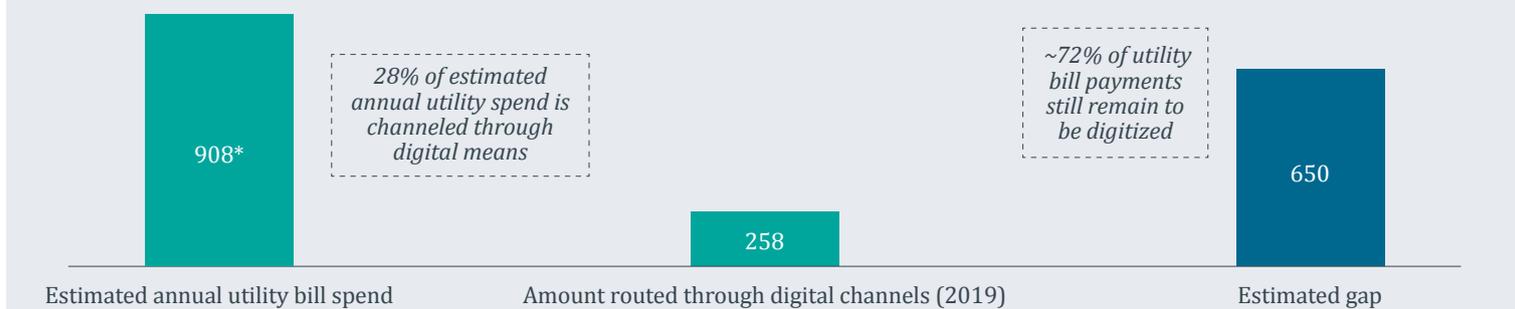


Source: State Bank of Pakistan; Access to Finance Survey 2015

▶ Digitisation of Utility Bill Payments in Pakistan

Given the size of Pakistan's population, the utility bill payment space is substantial and capturing these payments within the digital ecosystem can prove to be a viable use-case. Supply and demand-side statistics have been studied in detail in this note to gain an understanding of the current progress, gaps and potential for digitisation of utility bill payments in the country and the resultant impact it can make on driving financial inclusion.

Estimated gap between total and digitally transacted utility bill payments (PKR billion)



Source: (i) PBS. HIES 2015–2016. (ii). SBP Quarterly branchless banking statistics and payment systems review. 2019.

Note:* The figure for 2019 is estimated based on: 1) Increase in population during the period. 2) For landline and internet connections, growth in respective subscriber bases has been used instead of population. 3) Annual utility spend per household is then adjusted for inflation (using CPI base 2015–2016).

Blog

► Narrowing the gender gap through Digital interventions

With a vision statement of “financially included, economically empowered Pakistanis” Karandaaz Pakistan, through all of its four verticals i.e., Capital, Digital, Innovation and Research; is working to develop and promote an all-inclusive and a conducive financial environment and accords great importance to equal provision of financial services to women. Since its inception, Karandaaz Digital – one of the four verticals, directly funded and monitored by the Bill & Melinda Gates Foundation (BMGF) – has developed extensive partnerships with public & private institutions alike. The primary aim of these partnerships is to enhance the financial inclusion of masses and improve their access to digital financial services through well designed and targeted interventions, having a distinct focus on women and low-income households. To further refine its approach and in order to provide a strategic direction for its future activities, Karandaaz Digital has drafted a Gender Action Plan that lays down four key objectives, explained below.



1) Mainstreaming Gender in the Digital Portfolio

The first objective relates to ensuring that gender is embedded in all of Karandaaz Digital’s activities. This entails capacity building of the team and gender sensitization, carrying out a periodic gender audit of the portfolio and publishing disaggregated gender metrics. Accordingly, the vertical has designed and implemented some initiatives to have a more effective impact of its interventions. On the private sector front, the team is working in partnership with various businesses to test models that can help improve digital inclusion and participation of women in the domestic financial scenario.

Some programs are focused on conducting A/B testing¹ on pricing, communication, channel or features of financial products to find solutions that would result in higher uptake of a digital financial service. One such experiment with Hysab Kytap² has been concluded recently (detailed insights of the experiment are shared in Box 1), while another is currently in process with Ubank, which will be focused on evaluating and designing an incentive system that can encourage women to save in their mobile accounts; options include offering a higher rate of return; a cash-back option; and bundling with other relevant financial products. With its aim to promote product innovation, the vertical has recently announced a second round and taking applications for potential digital experiments. The action plan also involves management of a design thinking program for early stage fintechs to educate and promote adoption of design thinking approach in their financial offerings, particularly for women-centric products.

Partner spotlight: Hysab Kytap

Karandaaz Digital conducts experiments in collaboration with the private sector to test various hypotheses for the benefit of the industry. Hysab Kytap (HK) is one such partner, which offers a personal financial management application. It was observed that most of HK’s user base comprised of men, so an experiment was designed to test if enhanced UI/UX features coupled with a recommendation engine can increase the level of women’s engagement. Over the span of several months, engagement levels for two different variants, one with basic features and one with more enhanced features of the app, were analyzed among a sample size of 8,000 women. Color schemes, fonts, illustrations, onboarding instructions, icons and animations were changed, among other characteristics. It was found that the conversion rate of the financial products offered to women increased by 1.3 times i.e. from 37% to 47%, while the conversion for male participants remained steady at 51%. The onboarding success rate increased by 4% and the female user acquisition cost (measured as average cost per install) declined by 40% due to the costs being spread out over a much larger user base now.

There were some other interesting insights as well that were unearthed during the experiment. For instance, emotion-based story telling is more effective; animations with localized human images work better than static images; 20% of new downloads were a result of referrals by other women rather than expensive digital media marketing; women have a 1.2 times higher propensity to save than men and 25% of the conversion was for small ticket-size loans offered by HK’s partners. The experiment clearly demonstrated ways to increase the profits earned from the female segment without adversely affecting the male segment, and for this reason the findings are being made public for the benefit of the industry.

¹ A/B testing (also known as split testing) is a process of showing two variants of the same web page to different segments of website visitors at the same time and comparing which variant drives more conversions.

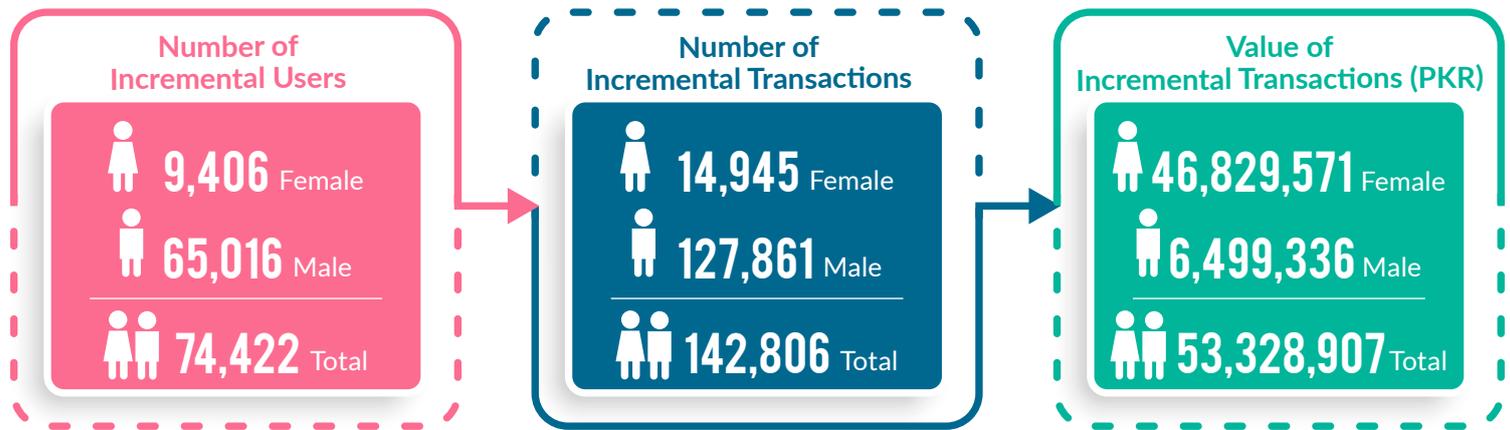
² Hysab Kytap is a locally domiciled technology company providing digital solutions to manage an individual’s financial activities, providing a 360-degree review of one’s budgeting, spending and savings.

Additionally, a yearly challenge round branded as “Financial Inclusion for Women Challenge (FIWC)” was introduced in 2019, under which technology companies and financial services providers can access funds, particularly for ideas that can result in better adoption of financial services for women.

In the first round, two of the applicants i.e., Techlets Pvt. Limited (Techlets) and Oraan Tech. Pvt. Limited (Oraan), emerged as final winners. Techlets has developed a unique platform called Walee that connects small women-led businesses with influencers. Their app allows the businesses to track the activities and the influencers to receive payments digitally. Oraan, on the other hand, offers a digital ROSCA (or committee savings) product to middle and low-income women, and have on-boarded a sizeable number of women (including women-led businesses). The FIWC program has got an overwhelming response from the industry and to continue momentum, second round has been launched in October 2020, whereby the winners will be announced at the start of next year.

Incremental Impact

The grid below summarizes resultant incremental uptake, in terms of users and transactions, since the launch of the aforementioned interventions earlier this year till 30th September 2020. These results will be periodically published in the future as well.



Note: The value of transactions for one of these partners couldn't get recorded as the app links its users to partner financial institutions instead of providing a suit of financial products its self; accordingly, the number of transactions and value of transactions are not linearly correlated.

On the public sector front, Karandaaz Digital is working with Benazir Income Support Programme (BISP) to cater to the low-income women and allow them to access the unified payments system so that they can transfer funds seamlessly. In addition, support is also being provided to upgrade and strengthen BISP's data management and governance infrastructure. Central Directorate of National Savings (CDNS) is another major public partnership. The vertical is providing support to CDNS to roll out dynamic digital service; including an ATM card and a mobile app, to its consumers (half of which are women).

2) Research & Advocacy

This objective pertains to carrying out research on gender-specific barriers in the provision and update of digital financial services and then formulating and recommending solutions to these bottlenecks. It also includes collaboration with international development organizations and disseminating the learnings from various interventions to the wider industry.

3) Policy Support

This includes providing support to regulator for policy improvements, so that they are more inclusive and less ambiguous in terms of their targeting settings, especially with regards to women's financial inclusion. The Design, Digitize and Direct (D3) framework of the BMGF has been implemented to evaluate the current status of progress under BISP which identified four action items, i) opening of optional savings account for beneficiaries in addition to the mandatory limited mandate accounts; ii) poverty graduation; iii) financial inclusion; and iv) upgradation of IT infrastructure. Karandaaz Pakistan is working to connect the social welfare beneficiaries to a unified payment infrastructure called the Micro Payments Gateway to allow interoperability. It is also providing technical support to open mobile wallets (with options for current and savings accounts) and taking steps to improve digital financial literacy of women population.

4) Capacity Development

Interventions can only be successful if the industry and stakeholders have the necessary skills and understanding of their implementation. Accordingly, the fourth pillar is focused on capacity building of various partners and grantees, ensuring that their processes and practices are gender sensitive, beginning with the FIWC grantees. With these four pillars Karandaaz Digital envisions to enhance the effectivity of its Gender Action Plan, take a more targeted approach and make a far-reaching tangible impact of its designed interventions with an overarching aim to support low-income women population of Pakistan and their connectivity to the formal financial system.

Karandaaz Stories

► Financing Growth in the Auto sector - Karandaaz facilitates access to finance for Alsons Auto Parts



The Alsons Group is a family business that started back in 1953 in Karachi as the Allana Watch Company, a clock manufacturing operation. The Allana family soon branched out into precision engineering and then to the manufacture of auto parts.

In 1992, the automotive parts unit was set up as a separate unit within the group. It is an industry leader and was one of the first to start local manufacture of automobile parts and components for Pak Suzuki, Indus Motors, Atlas Honda and Yamaha.

Akbar Allana, Group Director, Alsons Group of Industries and Director Alsons Auto Parts, says that with government policies encouraging newcomers to enter the automobile manufacturing sector, the industry will become a vibrant one over the coming years. Current size of the auto industry in the country stands at around Rs370 billion. Of this, around Rs20 billion has been invested by domestic vendors, who are providing spare parts and accessories for different automobile categories, according to statistics provided by the Pakistan Association of Automotive Parts and Accessories

According to Imran Jaka, COO Alsons Auto Parts, the company, a medium-sized enterprise (ME) has huge annual turnover that requires substantial working capital to maintain stocks of raw goods, inventories of finished goods and support a large working process. The company has had limited lines of credit with banks in the past and had to approach market sources charging double the rates of interest, thus limiting growth and profitability.

This is where Karandaaz Pakistan, with funding from UK's Department for International Development (DFID), stepped into the picture. Working for financial inclusion of in, Karandaaz promotes access to finance for small and medium enterprises (SMEs) through a commercially directed investment platform, and financial inclusion for individuals by employing technology enabled solutions.



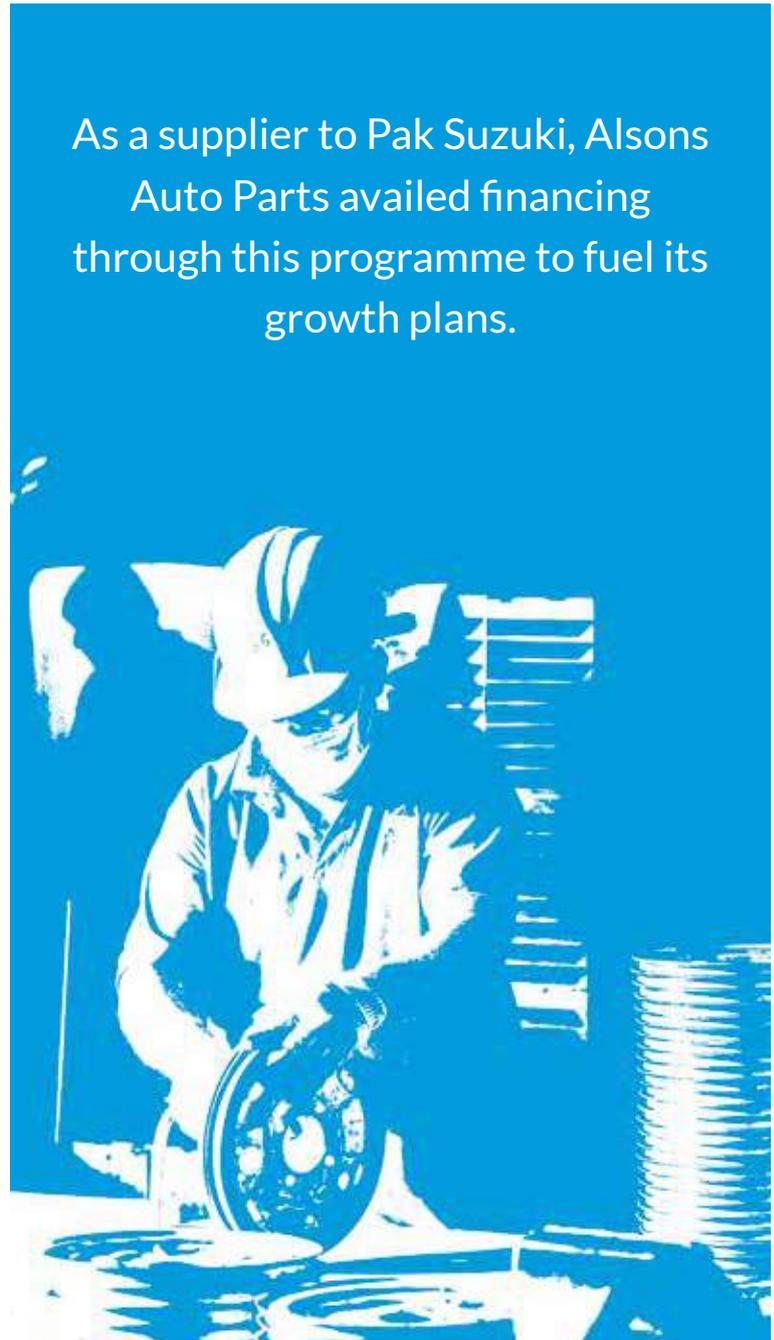
It has a supply chain finance programme with Meezan Bank to provide access to finance for vendors and distributors working with leading companies in Pakistan. Meezan is one of the fastest growing financial institutions in the banking sector of the country. With its vision of establishing 'Islamic banking as banking of first choice...' – the bank commenced operations in 2002, after being issued the first-ever Islamic commercial banking license by the State Bank of Pakistan. Under this supply chain finance programme, Karandaaz has committed USD 10 million and Meezan Bank has committed a minimum USD 40 million to finance vendors and distributors of partner corporates that have entered corporate framework agreements with Karandaaz and Meezan Bank. Under the programme, Meezan Bank is seeking to provide term and working capital finance through cash flow based products (lower collateral thresholds) with efficient loan processing timelines.

Ahmed Zafar, Group Director Strategic Planning and Business Development at Alsons, welcomes the initiative. He says that Japanese OEMs are looking for more localization and that means bringing in new technology and tools that requires financing. He says that the auto sector is the country's industrial backbone and can be termed "the mother of all industries." As such, it requires the support of financial institutions to realize its potential.

Jaka says that the company's goal is to bring in technology and capability currently not available in Pakistan. "We believe that the vision and strategy should be 'Build in Pakistan,' he says. "That is going to take care of the problems our economy is facing, being import based with a huge balance of payments deficit."

Akbar Allana underscores the role finance plays in business growth. The company employs over 300 workers, both men and women, and is supplied by over a hundred vendors. As its growth plans take shape, new jobs will be created along with a larger market for downstream suppliers. "Through organisations like Karandaaz," says Allana, "businesses like us can get easy and quick access to finance and that helps us get a start in further activities. It's a blessing for us.

As a supplier to Pak Suzuki, Alsons Auto Parts availed financing through this programme to fuel its growth plans.



About Karandaaz

KARANDAAZ PAKISTAN is a Section 42 company established in August 2014 and focuses on fostering economic growth and creating jobs through financial inclusion of unbanked individuals and unserved enterprises, with a special focus on women and youth. The company has four verticals:



Karandaaz Capital

Provides wholesale structured credit and equity-linked direct capital investments to micro, small and mid-size enterprises (MSMEs) that demonstrate compelling prospects for sustainable business growth and employment generation in Pakistan.

Karandaaz Digital

Focuses on expanding the poor's access to digital financial services in Pakistan by working across the ecosystem with all stakeholders.



Karandaaz Innovation

Manages the Innovation Challenge Fund and Women Entrepreneurship Challenge, providing risk capital and grants to partners with the aim to generate innovative solutions in areas of financial inclusion and entrepreneurship.



Knowledge Management and Communications

Supports the company's core financial inclusion goal by developing and disseminating evidence based insights and solutions.



Karandaaz Pakistan has received funding from the United Kingdom's Foreign, Commonwealth and Development Office (FCDO) and the Bill & Melinda Gates Foundation (BMGF).

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