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ANNUAL SHARIAH REVIEW REPORT
Parwaaz Financial Services Limited
For the Financial Year 2025–26

1. Introduction

Alhamd Shariah Advisory Services (Pvt.) Limited was appointed as the **Shariah Advisor to Parwaaz Financial Services Limited (PFSL)** to provide Shariah advisory and review services in respect of its Shariah-compliant financing activities.

This is the **first Annual Shariah Review Report** prepared by Alhamd Shariah Advisory Services (Pvt.) Limited for PFSL for the financial year 2025–26.

The purpose of the review was to assess the implementation of PFSL's approved Shariah-compliant financing structures, review selected executed transactions and relevant documentation and assess certain operational arrangements relating to its Islamic financing portfolio.

2. Scope of Review

A Shariah review was conducted of the following four transactions:

1. **M/s. M. Alam Khan Carriage Company** – Vehicle Financing
2. **Khatoon Industries (Pvt.) Ltd.** – Solar System Financing
3. **Unique Polymer** – Solar System Financing
4. **CBM Plastics (Private) Limited** – Solar System Financing

The executed transaction documents of all four cases were reviewed as part of the Annual Shariah Review.

3. Shariah Documentation and Approved Structure

The DM documentation set was prepared in accordance with the applicable SECP standard documentation requirements, together with the relevant Shariah principles applicable to Diminishing Musharakah and Ijarah.

The review included the relevant Musharakah, Ijarah/rental, purchase of Musharakah units, undertakings and security-related documentation to assess their consistency with the approved Shariah structure.

4. Transaction Review

The M/s. M. Alam Khan Carriage Company transaction relates to the financing of six second-hand Dong Feng Prime Mover trucks with fabricated oil tankers through a Diminishing Musharakah structure.

The Khatoon Industries, Unique Polymer and CBM Plastics transactions relate to the financing of solar systems.

In all three solar financing cases, the solar systems were fully installed before commencement of the rental/Ijarah period. The rental was initiated only after completion of the installation and availability of the assets for their intended use, in accordance with the relevant Shariah principles of Ijarah.

5. Takaful Arrangements

The Takaful arrangements relating to the financed assets were also reviewed. The relevant coverage was obtained through Shariah-compliant Window Takaful Operations (WTOs) of insurance companies. No Shariah objection was identified in the Takaful arrangements reviewed.

6. Segregation of Islamic Funds and Accounting

Management confirmed that, at present, four customers are availing Diminishing Musharakah facilities aggregating approximately PKR 170 million, funded from PFSL's own equity.

PFSL further confirmed that funds relating to Islamic transactions are maintained separately from the conventional portfolio through a dedicated Islamic PLS savings account, with appropriate segregation from the conventional portfolio.

Management also confirmed that separate accounting records and ledgers are maintained for DM, including separate income and receivable ledgers.

Regarding late-payment amounts, PFSL confirmed that no late-payment penalty has been collected to date. Management confirmed that, if such amounts are collected in future, they will be maintained in a separate Charity Account and will not be recognized as income.

7. Shariah Training

At the commencement of PFSL's Islamic financing operations, relevant staff involved in the origination, documentation, processing and monitoring of Islamic financing transactions were provided Shariah training on the approved Diminishing Musharakah structure and relevant Shariah requirements.

8. Overall Shariah Assessment

Based on the review of the four selected transactions, executed documentation, and the information and confirmations provided by PFSL management, no Shariah-related irregularity or objectionable matter was identified in the transactions reviewed.

The reviewed transactions were found to be implemented in accordance with the approved Diminishing Musharakah/Ijarah structures, particularly with respect to the underlying assets, commencement of rental after availability of the assets, Takaful arrangements and relevant transaction documentation.

9. Conclusion

Based on the scope of the review and the documents, information and management confirmations made available to us, the four transactions reviewed during the financial year 2025–26 are considered compliant with the applicable Shariah requirements.

PFSL is advised to continue maintaining the segregation of Islamic funds, separate accounting records and proper implementation of the approved Shariah structures and documentation for all future Islamic financing transactions.

Mufti Ubaid ur Rahman Zubairi
Director
Alhamd Shariah Advisory Services (Pvt.) Ltd
Dated: August 21, 2026

Alhamd Shariah Advisory Services (Pvt.) Ltd.