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SAHUC'S SHENANIGANS – ANOTHER INSTALMENT

The following letter of Aboobakar Kharva, Chartered Account, provides more insight into the malpractices of SAHUC:

As Salaam Alaikum Mufti AK Hoosen

Trust you and your family are all well with the help of Almighty Allah.

I was listening to your comments on the R48 million SAHUC saga around 4:30 to 4:45 am this morning and would like to clarify a few misrepresentations by Hafez Ismail Kholvadia and shed more light on other serious irregularities in SAHUC. As you were aware from your days on CII, I have been very critical about SAHUC's Financial Statements, violations of its Constitution, lack of broad-based public participation and representativity for well over the past 13 years. I have copied you on many occasions in the past regarding SAHUC

1. The misrepresentations by Hafez Ismail Kholvadia is obviously indicative of his and his other Board member colleague's ignorance of financial matters and speak to their ineptness in not putting matters into proper perspective and the incompetence and inefficiency of properly managing SAHUC's finances with good clean corporate governance. The problem is that SAHUC's financial position is changing all the time with inflows and outflows of money but their financial statements at the year end date of 31 March of each year gives a better indication of their statement of financial position.

2. The attached Statement of Financial position (page 10) of their Annual Financial Statements (AFS) with 2024 comparative figures reflect that their total Assets is R25 539 540 and R36 741 686 respectively. Cash and Cash equivalents were R17 048 911 and R15 268 253 respectively and the Non-current Assets comprising property, computer equipment and other intangibles only amounted to R3 717 342 and R 3 588 953.

3. The misrepresentations by Ismail Kholvadia arose when he stupidly stated that SAHUC had property of R36 million when it is only R 3 604 794 according to the 2025 financial statements. Perhaps they have other hidden assets/properties which we do not know of but in any case, his silly error speaks to his and his fellow Board members' carelessness and negligent manner in which they handle and represent SAHUC's financial affairs.

4. The lack of confidence in SAHUC's Board members stems from an error of judgement in acquiring a property in Crown Gardens acquired on 26 March 2020 for R 1 200 000. Addition/building improvements of R 486 000 in 2023, R1 738 933 in 2024 and R122 010 in 2025. The acquisition of the property and the subsequent building improvements are quite questionable as SAHUC is not a regular running business and meetings could easily be held more cost effectively at the Islamic schools, Darul Uloom and other venues. As an Auditor one would like to know who was the seller of the property, which contractors did the building improvements and were there any commissions or backhanders received by any SAHUC Board members. In any case, in my opinion, the purchase of the property and subsequent building improvements were not prudent.

5. At certain times SAHUC's coffers swell when they collect registration fees from Hujaj something to the tune of R4 500 000 (2500 x R1800) and further when they collect monies for the 5 days of Hajj of around R75 000 000 (2500 x R30 000) which is held in a representative capacity until it is paid to the service provider in Saudi Arabia.

6. The other more pretentious issue and Zulm on the Hujaj is the imposition of 15% Value Added Tax (VAT) on the registration fees paid by Hujaj when it was absolutely unnecessary to do so as the Hajj services are conducted in a foreign country (KSA) and this income is zero-rated. SAHUC's coffers appear to be like a milking cow. Between 2021 and 2025 financial years SAHUC squandered over R 1.1 million on "Consultants fees" primarily for registering for VAT which is absolutely unnecessary, and a financial burden imposed upon Hujaj. To add insult to injury they paid over R1 million in interest for late submissions of VAT returns and late payment penalties and understatement penalties of over R700 000. The SAHUC Board members should be held personally liable for all these wasteful and unnecessary expenditures.

7. Another serious irregularity is that SAHUC is purporting to be an "UNINCORPORATED ASSOCIATION NOT FOR GAIN" in paragraph 2 of its Constitution (see attached page 8) and also on its Financial Statements. However, there is an incorporated Non-Profit Company (NPC) called SOUTH AFRICAN HAJJ AND UMRAH COUNCIL NPC (Registration Number: 2007/009408/08) which is according to a CIPC full disclosure ("active" and in business). This is deceitful and one wonders what transactions are being conducted through this other entity.

8. The other telling issue is that SAHUC's previous Auditors were fined R 1.4 million for misconduct (see attached letter from IRBA) and not conducting proper audits due to their Auditing standards being abysmal and leaving much to be desired. The attached email to Radio Islam on 6 August 2025 regarding this matter is self-explanatory. No reliance can be placed on the SAHUC Audited Financial Statements. In fact, your Attorneys or legal team should demand that the previous and current Auditors should pay back all the audit fees to SAHUC to refund Hujaj their registration fees if there is any shortfall and even the SAHUC Board and all its member organisation should be held liable for damages for approving faulty and deficient Financial Statements.

Please do not hesitate to contact me if you or your attorneys require any further explanations or information on the above or attached documents.

Jazakallah Khairun

Was Salaam

ABOBAKAR MAHOMED KHARVA
Chartered Accountant and Registered Auditor