ISLAMIC SOCIAL FINANCIAL STRATEGIES: INNOVATIVE TOOLS & PRACTIVE FROM TOOBA FOUNDATION

Nazia Abdul Rehman
Assistant Professor
Department of Economics
Federal Urdu University Arts, Science & Technology, Pakistan
Email: drnazia@fuuast.edu.pk

Muhammad Faisal Sultan
Associate Professor,
Faculty of Management, KASBIT
Email: mfaisal@kasbit.edu.pk

ABSTRACT

Islamic Finance is one of the most growing industry all over the globe. However, Islamic Micro Finance is still in its infancy stage where it requires believe and trust from diverse range of stakeholders. Research work is also very limited related with the strategies and operations of Islamic Micro Finance Institutions (IMFIs). Especially there is severe lacking of case study research that may highlight the working of IMFI and showcase its strengths, strategies and operations in order to improve understanding of diverse range of stakeholders. Hence, this study is one of the attempt to develop a case study on one of the emerging IMFIs from Karachi Known as Tooba Foundation. The reason for the selection of Tooba Foundation is its unique use of Islamic Financial tools in order to improve Islamic Social Finance Strategies. Hence, this study may not only found fruitful for further research but will also improve understanding and policy making related with Islamic Financial Tools and strategies of Islamic Social Finance.

KEYWORDS

Micro-Finance, Islamic Micro Finance, Islamic Social Financial Strategies, Innovation, Economic Growth & Poverty Alleviation

BACKGROUND

Micro-Finance is defined as the tool and method to help and assist unbanked and financially excluded people. Hence, it is appropriate to indicate that the services and programs offered by Micro-Finance institutions are specifically designed and tailored made to address needs of financially marginalized groups. Hence, the Micro-Finance can also act as the weapon to fight against poverty therefore pioneer of the idea Mr. Yunus launched first conventional Micro-Finance Bank in Bangladesh named as Garmeen Bank (Farooq & Khan, 2014).

However, in recent times abundant literature is available to highlight the importance of Micro-Finance. However, the importance of Micro-Finance for developing sides of the world has no compression to the other parts. Studies indicated multiple ways e.g., Developing a parallel Financial Sector, Women Empowerment, Improving Healthcare, Improving Education and Development of Business Sector that are positively influenced by Micro Finance (Rokhman, 2013). Moreover, there are multiple studies e.g., Durrani et al (2011); Ghirmai (2006) and Khandker (1998) from Bangladesh and Shirazi and Khan (2009) from Pakistan etc which supported the claim. However, there are some studies e.g., Coleman (1999) and Coleman (2004) which failed to provide any evidence for the benefits of Micro-Finance. However, there is a significant literature that is indicating about the role of Islamic Banks in providing Shariah Compliant Islamic Micro Finance Schemes (Nashwan et al., 2023).

INTRODUCTION

After the establishment of Pakistan the government allocated activities related with poverty alleviation to some of the governmental institutions. However, in 1961 government inaugurated first named as Agriculture agricultural Bank of Pakistan that was purposively developed to address concern of marginalized groups and farmers. However, the poverty alleviation can not only be controlled by protecting agricultural sector. Hence, in early 2000 the government of Pakistan introduced Micro-Finance Sector Development Program (MSDP) in order to assist poor and marginalized groups in sustainable manner. Hence, in the month of August first commercial micro-finance bank of Pakistan named “Khushhali Bank” came into existence. Since, then government of Pakistan is continuously involved in taking proactive measures and conducive actions to support and build micro-finance sector of Pakistan (Farooq & Khan, 2014). However, poverty is a multi-dimensional construct that has multiple variables. Hence, there is also a need of multiple ways and measures to combat with it. Hence, in order to fight poverty and to pursue Millennium Development Goals (MDGs) developed in 2000 cultural approach must be aligned with Islamic Financial System. Different countries associate MFI strategies with their culture in order to decrease poverty substantially in comparison to 1991. Similarly level of poverty in working middle class has also been decreased in significant manner. Therefore, in Islamic countries parameters and approach developed by Dr. Yunus must be adopted to fight poverty in Islamic and Shariah Compliant Manner (Usman, 2016). However, due to significant lacking of Shariah Advisors Pakistan faced severe issues in complete alignment with Islamic Banking. Therefore, previously multiple Islamic Banking products are found be linked with profit. Hence, Federal Shahriah Council abolished all the instruments that are linked with interest (riba) with the verdict of June 2001.Hence, in 2002 launch of first-ever Islamic Bank laid the foundation of Islamic Banking in Pakistan that grows tremendously in past years to reach 15% in 2016 with number of branches of full-fledged Islamic Banks were founded to be 2851 in 2019 (Akbar et al., 2023).

However, on the other side the percentage of Islamic Micro Finance Industry is deeply worsen. The major reason for the lower penetration and growth is the substantial lacking of Islamic Financial Experts and severe lacking of specialized educational institutions (Akbar et al., 2023).

Statement of the Problem

There is no doubt on the point that world is experiencing significant growth of Islamic Finance activities. Especially since past few decades the growth is significantly higher. However, still there is a need to explore the full potential of Islamic Finance and its impact over the economic and social arenas. Especially the effects of Islamic Finance over social arenas are significantly unexplored (Biancone & Radwan, 2019). However, Islamic Banking is termed as the innovation that relate innovative practice with the Islamic principles in order to provide alternative financial system to the unbanked and less privileged Muslims (Usman, 2016). Hence, it is required that Islamic Banking and Finance sector must work on some innovative tools that have the capability to improve economic as well as social conditions (Biancone & Radwan, 2019). Similarly there is also a need to assess the innovative programs and tools developed by Islamic Micro Finance and Institutions in order to understand their role towards sustainable development and growth (Nashwan et al., 2023). However, literature related with the availability of Islamic Finance for SMEs is also very limited (Ishaq, 2022).

Purpose of the Study

This study is one of the case study research conducted purposively in order to understand and highlight the reason of growth of Tooba Foundation. Hence, this case study will be immensely fruitful for making intrapreneurs working in Islamic Micro Finance in understanding the tools that are required to be used effectively for linking Islamic Social Finance with the societal and communal development and wellbeing. Hence, this study may also be used for effective policy making and growth of Islamic Micro Finance that may assist economic and social welfare of Pakistan.

RESEARCH QUESTIONS

General Questions

Q1: What is the difference between Micro Finance nad Islamic Micro Finance?

Q2: What are various tools that Islamic Banks use for Islamic Social Financial Strategies?

Implicative Questions

Q3: How various tools of Islamic Finance are used by Tooba-Foundation for Islamic Social Financial Strategies?

Q4: How Tooba-Foundation is playing important role in reducing poverty from Pakistan?

Q5: How working of Tooba-Foundation is different with respect to the other micro-finance and Islamic-Micro Finance Institutions?

Conceptual Questions

Q6: How to devise effective Islamic Social Financial Strategies?

Q7: How Islamic Social Financial Strategies are beneficial for society and economy?

Futuristic Research Questions

Q8: How Islamic Social Financial Strategies might be optimized for future challenges related with society and economy?

Q9: How these Islamic Social Financial Strategies can be adapted by other IMFIs to play pivotal role in the improvement of society and economy?

LITERATURE REVIEW

Islamic Financial Tools

Literature associated with Islamic Finance is supplemented with several evidences where Islamic Financial Tools e.g., Zakat, Sadaqa and Awqaf are used by social sector for developing and improving social facilities (Biancone & Radwan, 2019). Similar findings are confirmed through initial studies associated with Islamic Financial Institutions that use comprehensive Islamic approach for alleviating poverty. According to these studies the approach used by Islamic Financial

Institutions comprised three elements i.e., Equal Opportunities for all segments, Equitable Distribution of Income and Increase income-level of pro-poor segment (Rokhman, 2013). Hence, the upcoming literature will highlight about the use and significance of Islamic Financial Tools to make readers imagine the social impact Islamic Financial Tools may create. Moreover the upcoming literature will also be able to make readers understand the Islamic Social Financial Strategies used by Islamic Micro Finance Institutes in order to fulfill empirical gaps to address research questions.

Zakat

Zakat is the most popular tool of Islamic Finance that is used not only aim to detoriate poverty and hunger but also has a substantial role in improving the quality of education and quality of health services & overall economic growth (Hassan et al., 2023). Hence, this tool has also the ability to build socio-economy. Zakat can also be practiced in multiple forms e.g. loan, credit and investment etc. Hence, it is appropriate to believe that Zakat is the Islamic Financial Tool that has the tendency to reduce social and economic gaps and also the difference between rich and poor (Mohsin, 2020 & Suhaib, 2008). Effective implementation of Zakat practices is also beneficial for achieving sustainable development goals (SDGs). Moreover, effective collection and distribution of Zakat also ensures social security and equality (Hassan et al., 2023).

Hence, it is appropriate to state that integration of Zakat into financial strategies of IMFIs is not assisting in poverty reduction but also improves social life and economic wellbeing (Zulkipli et al., 2025). However challenges like low public awareness and lack of regularity frameworks are hindering in the efficient use of Zakat as the tool of poverty alleviation (Mukhid, 2024 & Sari et al., 2024). Hence, advancement in technology and technological infrastructure would assist IMFIs in managing transparency for the use of Zakat that would ultimately resulted in poverty alleviation and improvement in social wellbeing (Sari et al., 2025)

Awqaf

Waqf is defined as charitable income and activities produced through utilization of Waqf assets. Objectives behind the development of Waqf entities are much broad and linked with long-term goals and objective to support the society through Islamic social finance (Tabarik & Alfarezel, 2025). Awqaf is the plural of Waqf that is one of the other important tools of Islamic Finance. It is a voluntary system characterized as Muslim Philanthropy that is based upon charity and good deeds (Hassan et al., 2023). Waqf also used as the interest-free funding option to support micro and small entrepreneurs. Hence, use of waqf can also be optimized and effectively used by the IMFIs to assist those who belong to marginalized groups. Programs that are used to associate waqf with micro-finance also improve the financial literacy and financial management abilities of beneficiaries (Tabarik & Alfarezel, 2025).Hence, in recent times some of the Islamic countries are including Waqf in their legislative system in order to develop effective legislation for waqf administration. During the outbreak of COVID-19 use of waqf as the Islamic social finance assist many countries in achieving economic sustainability (Hassan et al., 2023).

Sadaqa

Sadaqa is one of the other tools of Islamic Social Finance that is based upon arbitrary donations to the poor (Hassan et al., 2023). Meaning of Sadqa in Arabic is Truth. We may also define Sadqa as the amount that is spent in the way of Allah SWT. Allah has promised to provide highest reward to those who spent in the way of Allah (Tabarik & Alfarezel, 2025). Hence, the use of Sadqa is only for the sake of Almighty Allah without expecting any financial or material gains. However, it is different from Zakat as it is not an obligatory tool (Hassan et al., 2023). Sadqa also purifies wealth and personality from sins. Moreover, absolution of sins is also possible through sadqa (Aziz et al., 2014). Moreover, use of Sadqa also increase level of trust in sharia compliant financial models and enhances overall effectiveness of micro-financial institutions (Tabarik & Alfarezel, 2025).

Qard al Hasan

Qard al Hasan is a type of loan where no additional amount of income can be charged over the amount that is lent to the borrower. The major purpose of Qard al Hasan is to provide assistance to the low-income group through financial support that is free from any interest on repayments (Selim, 2019 & Muneer & Khan, 2022).

Hence, the use of this tool is directly associated with the alleviation of poverty and improvement of social welfare (Khan, 2022).However, any interest or additional amount charged over the loan is perceived as riba that prohibited in Islam. Hence, non-compliance of Allah's command reflected through Quran and Sunnah will remove blessing from the amount. On the other side traditional forms of loans may also resulted in inflation, unjust income and negatively affect the future perspective of the country. Thus, Qard ul Hasan is one of the most important forms of Islamic Social Finance that may improve individual, societal and holistic conditions (Hamed, 2020). However, the implementation of Qard al Hasan is not easy as its implementation requires transparency, clarity and strict ethical obligation from lenders to assist borrowers without any financial interests (Mdawhoma, 2024)

RESEARCH METHODOLOGY

This is a case study research developed to understand the significance of Islamic Finance Tools and Use of Islamic Social Finance Strategies in effective and efficient manner by Tooba Foundation. Hence, the data has been collected through interview of key personnel working in Tooba Foundation. The data has been collected through semi-structured interviews that are conducted five times to gain detailed knowledge about the origin, scope and strategies used by Tooba Foundation. Hence, the philosophy used in designing the case study is epistemology that is treated as the philosophy of Knowledge by Saunders et al (2007) the philosophical stance used to accompanied the use of research philosophy is Post-Positivism that is efficient to be used in qualitative research. Research Approach is deductive, method of research is mono-method and research strategy is interview (Saunders et al., 2015). The time horizon associated with the study is cross-sectional and unit of analysis for the study is individual. However, the researcher's interference is moderated in nature and study setting is non-contrived (Sekaran & Bougie, 2016)

DISCUSSION

Role of Islamic Micro-Finance

Islamic Micro-Finance is one of the modern and important tools to boost economy and also to substantiate women empowerment (Farooqi et al., 2017). According to research Islamic in recent times Micro Finance is termed as the most important measure and tool for poverty reduction especially in developing countries. Its ethical and Riba-free nature its growth is found to be phenomenal in past two decades (Aslam, 2014). One of the recent studies also added that Islamic Micro-Finance is also assisting entrepreneurship and optimize employment other than assisting vulnerable in sustaining the difficult periods of life. Thus, in the light of assistance provided to vulnerable the most important characteristic of Islamic Micro-Finance has been highlighted as the tool that give hope and courage to those who could not access conventional banking systems (Hossain et al., 2024).

Similar was the case due to the outbreak of pandemic in 2019 where Islamic Micro-Finance creates significant ease for the improvised segment of the society through providing them new hope for life (Hossain et al., 2024). Similar Points are mentioned by Talha Alam "Tools of Islamic Finance are very useful to assist the needy person. Through using these tools in effective and efficient manner Islamic Micro Finance may flourish entrepreneurship and may also boost societal wellbeing". Hence, it is validated that points of Hossain et al (2024) are effectively associated with the significance and role of Islamic Micro Finance in Pakistan. However, in Pakistan presence of Islamic Micro Finance Institute is very few as compared to the conventional micro-finance institutions (Abbas & Shirazi, 2015). However, the Islamic Micro Finance are more efficient for economic development, societal wellbeing and fostering financial inclusion (Anwar, 2026). Similar points are highlighted by Mia (2025) that despite of the higher significance of Islamic Micro Finance their presence is significantly low. On the other side Islamic Micro Finance also based upon very limited products and also not getting required from large-sized Islamic Banks (Khaleequzzaman, 2020). These points are also substantiated by Mr. Talha Alam that "Inhabitants of Karachi are looking for smaller, easy and riba-free loans but there are very few institutions that are providing these services. Hence, the Tooba Foundation was initiated to assist the low-income group through smaller and riba-free loans.

TOOBA FOUNDATION

Tooba Foundation is one of the premiers Islamic Micro Finance Institute that is working for the social welfare of Pakistan. Headquarter of Tooba Foundation is in Karachi and the company came into being in the year 2011 under the able leadership of Captain Muhammad Raza Late. Since then company is working day and night for the betterment of society, economy and also to secure environmental degradation. Recently Talha Alam operating as General Secretary of Tooba Foundation is the focal person who is managing all the issue and operations at Tooba Foundation.The Business Model of Tooba Foundation is similar to the model of Akhuwat Foundation in Lahore. However, the unique use of Islamic Social Finance Strategies by Tooba Foundation are the main source of attractiveness through which Tooba Foundation is supporting individuals with micro-loans and supporting those activities that are related with white collar or with those individuals who are unwilling to take Zakat. Moreover, the strategies devised by Tooba Foundation to support the needy segment are also very innovative. The upcoming section will highlight about the Islamic Social Finance Strategies and their creative and unique use by Tooba Foundation in order to make readers understand the significance of Islamic Social Finance its use and scope.

Tooba Foundation and Social Financial Strategies

Qureshi (1999) highlighted that significant proportion of Pakistan population lives under poverty. However, very few have access to Micro Finance. On the other side most of the Muslims prefer to obtain loans from Islamic Micro Finance (Rahim Abdul Rehman, 2010). Hence, efficient strategies e.g., innovative product development and collaboration with NGOs are required to make people inclined towards the Islamic Micro-Finance (Khallequzzaman & Shirazib, 2011). Hence, some of the models like Esaar Islamic Micro-Finance are developed that has the tendency to alleviate poverty through interest-free and innovative products (Shahbaz & Ullah, 2019)

TOOLS AND STRATEGIES OF ISLAMIC SOCIAL FINANCE USED BY TOOBA FOUNDATION

Zakat

Zakat is the primary tool that is used by Tooba Foundation in order to provide social support to needy individuals and household. Use of Zakat is not only limited to social and familial support i.e., assistance in marriages or repair and maintenance of house etc. In fact, use of Zakat has also been operationalized by Tooba Foundation to leverage Islamic Social Finance Strategies to support earning potential of individuals and households. Hence, Tooba Foundation assist individuals and households through maintenance and purchase of motorcycles, rickshaw, cart and electronic appliances e.g., sewing machine etc that may be used as the business tools by lower income group. According to Mr. Talha Alam, "Zakat is one of the main Islamic Social Finance Tools that is used by Tooba Foundation to support individuals, households and businesses".

Points mentioned by Mohsin (2020) and Suhaib, (2008) are also signifying the use of Zakat as per the indications of Mr. Talha Alam. Hence, in accordance with these points Zakat is not only an antipoverty mechanism but it is also a tool through which marginalized group may actively participate in socio-economic activities. Moreover, Tooba Foundation also administrated Zakat as cash donations as well as in the form of business capital to support small and micro-sized businesses. Similar points are mentioned by Adnan et al (2021) that Zakat can be monitored as three forms i.e., cash, investment and business capital that suits the need of the respective industry. Hence, Zakat can be used as the tool to improve society through entrepreneurship to make poor who are eligible to purchase supplies and necessary business equipment to run expenses of household. Similar points are found true for the Islamic Micro Finance Institutions from Pakistan that are using Zakat for the poverty alleviation and economic growth (Abbas & Shirazi, 2015). However, it is also required to promote ethical financial practices to eliminate riba and foster ethical financial behavior (Mohsin, 2020).

Therefore, Tooba Foundation operates with the team of sharia scholars in order to deal effectively with the funds obtained through Zakat. Hence, the concept of Ijtehad has also been related with the fund management protocols (Adnan et al., 2021) followed by Tooba Foundation. Validity of this point can been legitimized by Talha Alam, "Sharia Compliance Board at Tooba Foundation under the able leadership of Hafiz Muhamamd Shahid from Banuria Town will evaluate the purpose, use and significance of the funds obtained through Zakat". Hence, it is optimal to highlight use of funds obtained through Zakat are managed effectively for Social Islamic Finance Strategies developed by Tooba Foundation.

Waqf

Waqf integration of waqf with IMFIs is a form of strategic approach to use social finance to alleviate poverty and optimize community development and welfare. Hence, sustainable framework of economic development is required to be developed effectively through the strategic association between philanthropic nature of Waqf & financial modeling of micro-finance institutions (Darajatun & Makhrus, 2025). Waqf is also used by Tooba Foundation as one of the primer strategy of Islamic Social Finance as the main building from where all the operations of Tooba Foundation are controlled is a Waqf for the betterment of society and wellbeing of inhabitants of Pakistan. Moreover, some other machineries and automobiles used for the purpose of transportation are also obtained by Tooba Foundation through Waqf. Talha Alam indicated that "Tooba Foundation is using Waf Property and machineries effectively for its operations, transportation and distribution services. However, the usage of all of the goods, items and property that are obtained through waqf are strictly monitored by sharia board."

However, there are some limitations related with the use of Waqf i.e., use of assets under waqf is not utilized as per their full capacity due to the restriction of use or nature of assets etc. Moreover, current system of Waqf reporting practices is a conventional accounting system that has multiple drawbacks and issues. Among these issues first is short-sightedness as the financial reports developed for the administration of waqf follows annual accounting system. Therefore, issues evolving from socio-economic and environmental factors cannot be addressed through using financial reports. Hence, these sorts of issues mostly remain left out. Secondly, conventional accounting system can only endorsed those events that have monitory value which makes these reports inefficient for planning. Thirdly, reports of conventional accounting system are long and supplemented with technical jargons that make these reports irrelevant and difficult for the stakeholders (Mansor et al., 2018). However, Tooba Foundation is one of the emerging Islamic Microfinance Bank that requires effective use of all Islamic Financial Tools for its growth and to serve humanity in desired way. Therefore, in line with Mansor et al (2018) , it is better to use Islamic Financial & Reporting System that will not only reduce the use of technical jargons and will also reduce the emphasize on profit maximization in order to make use of these assets as per the wish of (Donors) Waqifs.

Similar points are also mentioned by Talha Alam that “Through the support of our Sharia Compliance Board and expertise of Hafiz Muhammad Shahid the Tooba Foundation become able to use funds obtained through Wqaf in desired way without any issue of under employment of funds and its reporting and control through Islamic Financial System. Hence, it is optimal to believe that through using these assets and property the Tooba Foundation is leveraging its operations across Pakistan to support needy individuals, household and businesses. Success of Islamic-Micro Finance Istitutions through efficient use of Wqaf has also been documented earlier e.g. Darajatun & Makhrus (2025) highlighted the success of IMF i.e., Al-Quran Waqf Agency and Micro Waqf Bank achieved significant success in associating waqf with concept of micro-finance to support SMEs and micro-entrepreneurs.

Sadqa

Sadqa is also a way for Islamic Micro-Finance institutions for effective mobilization of resources. Hence, resources will be available for those who could not access traditional financial services (Nashwan et al., 2023).Sadqa is also used by the Tooba Foundation in order to leverage Islamic Social Finance Strategies. However, in addition to the support of needy individual, households and business Sadqa is also used to help individuals who are termed as white collar individuals who are reluctant to obtain funding through zakat.

Similar points are highlighted by Talha Alam that, Funds obtained through Sadqa may also be used to assist those needy individuals and household who are reluctant to obtain funds through Zakat or on whom funding through Zakat is not applicable but they need assistance for necessities like marriages etc. However, lack of awareness and regularity support are the main hindrance in the efficient use of sadqa as the social financial strategy (Mukhid, 2024). Pancarini and Akbar (2022) also indicated similar points that society has very low level of knowledge and understanding about the use and rationality of Sadqa. However, educational programs and social media campaigns may improve the level of understanding and participation Hence, collaborative efforts are required from government, philanthropic institutions and private sector in order to optimize the effect of sadqa (Yakin & Muzaki, 2025).

However, without institutional wellbeing, transparency and trust of donors the use of Saqda is very limited (Karim et al., 2025). Talha Alam also highlighted the same the “Tooba Foundation faces severe issues in obtaining funds through Sadqa. However, due to the goodwill, brand name and leverage of using firm’s name Tooba Foundation it is fairly ease to obtain funds.” The statement is valid as Last but not the least through effective use of However, Sadqa as a Islamic Social

Financial Strategy IMFIs would be able to address needs of extremely poor segment through providing micro-sized loans (Elzahi, 2015).

Qard al Hasan

Qard al Hasan is one of the pivotal tools of Social Islamic Finance and its importance and use became more dignified disbursement via Islamic Micro Finance Institutions (Aderemi & Ishak, 2023). However, the use of Qard al Hasan is a challenge for IMFIs as obtaining ethical return through using Qurd al Hasan is a significant challenge IMFIs also have to follow sharia principles. Similar points are also accepted by Talha Alam that "Management and use of Qard al Hasan is a big challenge and due to its effective administration the job of sharia compliance board become extremely complicated. Thus, Qard al Hasan is utilized in way that Tooba Foundation may fulfill all the challenges as Qard al Hasan obtained from financers and with transparency granted to the needy people and household. The purpose of the use of ard al Hasan by Tooba Foundation Tooba Foundation is order to improve social wellbeing and leverage its strategies of Islamic Social Finance to masses". This will add significantly to the goodwill and reputation of the Islamic Financial Institute as indicated by Roihana et al (2025) especially when the use of Qard al Hasan is used to achieve social and welfare purpose without any financial gain (Masrina et al., 2022). Similar points are highlighted by Talha Alam that "Tooba Foundation is using Qard al Hasan to conduct social welfare activities especially in the domain of education, health and shelter etc".

ANALYSIS & IMPLICATIONS

Through Understanding the use of Islamic Financial Tools by Tooba Foundation and their link with the Islamic Social Finance Strategies it is optimal to indicate that Zakat and Sadaqa are main Islamic Financial Tools to contribute significantly to societal wellbeing. Similar points are reflected by Ali et al (2024) that Zakat and Sadqa are the two of the most important Islamic Financial Tool that has the tendency to contribute predominantly to the social welfare, alleviation of poverty and economic wellbeing. One of the recent studies i.e., Mustaffha (2025) that effective implementation of Zakat and Sadqa may not only optimize social welfare but will also assist economic wellbeing. However, in order to obtain social and economic benefits IMFIs are also required to overcome multiple managerial and organizational challenges in order to make people believe in the working and policies of the organization (Al-Faruq, 2025).

However, as per the indication of Mr. Talha Alam the use of Waqf and Qard al Hasan by Tooba foundation is much limited in comparision to the Zakat and Sadqa.. However, the major reason behind the limited use has not been properly highlighted by the management of Tooba Foundation. Although literature related with the use of Islamic Financial Tools highlighted some of the limitations related with the use of Waqf and Qard al Hasan. Thus the limited use of these tools may also be linked with the challenges pertaining to the use of these tools.

Similar points are highlighted by Muhammad et al (2024) that weak governance mechanism along with lacking of regularity support may hamper the effective use of Waqf and Qard al Hasan. On the other hand lack of standardization protocols may also decrease the operational efficiency to use Waqf and Qard al Hasan in effective manner (Shaikh, 2024). Hence, it is optimal to highlight that IMFIs are required to develop better policies in order to increase funding through Zakat and Sadqa. Al Afif et al (2025) also pointed out the importance of policies in order to improve the trust of stakeholder and wellbeing of IMFIs. However, it is also required that IMFIs must also focus on protocols of corporate governance and sharia compliance board are also required to be monitored regularly for the increase of stakeholders trust and firm performance. Similar points are reflected by Kassim et al (2018) that good governance is mandatory in order to protect the interest of diverse set of stakeholders and also to assure sustainability of IMFIs.

CONCLUSION & SIGNIFICANCE OF THE STUDY

The case study of Tooba Foundation is purposively develop to highlight the importance and use tools of Islamic Social Finance and Strategies used by Tooba Foundation to support societal wellbeing. Especially important is the nature and methodology of operations conducted by Tooba Foundation that are immensely beneficial for the societal wellbeing. Therefore, the literature, relevance and use of Islamic Social Finance Strategies used by Tooba Foundation may be found fruitful for other IMFIs. Hence this case is not only beneficial for academic purposes as it also has the tendency to improve understanding and analysis of intrapreneurs operating in IMFIs. Therefore, with respect to significance this study is one of the pragmatic research that is beneficial for masses and may contribute to excellence of academia, industry and society.

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