

Islamic Banking and Finance in South Asian Muslim Minority Countries: A Brief Assessment of Indian and Sri- Lankan Academia

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ABSTRACT:

There is no doubt that Islamic Banking and Finance is a growing successful branch of academics that has thriving results and has borne fruits at the practical level as well. Academically, it is taught at the Universities/ Institutions both in Muslim and non-Muslim countries, of East and West. It is taught even in the countries, in the Asian context, where Muslims constitute as Minorities, like India and Sri Lanka. Whereas significant literature has been penned down over the past few decades to highlight the varied and wide-ranging aspects of Islamic Banking and Finance in the corporate sector, at the same time, the academic portion of this emerging viable field is often neglected.

This paper, in this direction, is an endeavor to highlight the same with regards to the academia of the aforementioned two countries (India and Sri Lanka). A humble effort has been made to launch an assessment of this discipline as taught in the various universities of these two countries, the various courses, and an evaluation of their contribution towards this discipline.

Key words: *Islamic Banking and Finance, Muslim Minority, Indian Academia, Sri-Lankan Academia, Qur'ān, Sunnah.*

Introducing Islamic Finance in Academics:

Since the termination of Pious Caliphate from the Muslim socio-political regime till the domination of the British colonialism over the Muslim nations, religious reform movements have continuously made their appearance to combat the factors responsible for Muslim decadence in any of the aspects (political, social, economic educational and religious) of life. Overall assessment of these movements generally designates three kinds of reform/revival movements that emerged in the Muslim world particularly dominated the Middle-East region. These include the 'Traditional, Reconciling and Secularized movements'. The Traditional movements (like the *Wahābī Movement*) called for return to the *Qur'ān* and *Sunnah*¹ strictly to overcome the socio-religious decadence and resist the influence of Western modernization and secularization. The movements like Muslim Brotherhood Society (*al-Ikhwān al-Muslimīn*) of Egypt (1928) and *Jamā'at-e-Islām*² (1941)² of South-Asia can be traced as reconciliatory ideology and the Secularized movements propounded the benefits of getting adapted with

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the modernization and restricted the Islamic ideals merely to one's personal religious matters not to be involved in politics, economics, administration, government affairs, etc.³ All these reform and revivalist movements had their impact on the religio-economic and political aspects of the Muslim world in one or other way.

In a general sense the Islamic Revivalism in the modern era can be visualized as a force to develop Islamic solutions for the challenges faced by the Muslim world in social, economic, political and religious affairs. The movement of Islamic revivalism was marked with a resurgence of those Islamic practices virtually absent from the colonized Muslim world. It was in this context that the OIC- Organization of Islamic Conference- was specifically designed to strengthen solidarity and cooperation amongst the Islamic nations in Political, economic, cultural, scientific and social aspects.⁴

While the Muslim intellectual stratum was involved in tackling the socio-political challenges, certain intellectuals and scholars, at academic level, pioneered the movement of developing the mechanisms and strategies for producing Islamic economic framework as worth viable system in the changing modern geo-economic scenario. Some top brass Muslim intellectuals made strenuous academic efforts on formulating a theoretical frame work for Islamic banking and finance post 1940s, when they initially started to write on "interest-free banking models". This was the academic onset for Islamic financial setup that was needed to be established as an important and viable part of Islamic economics. Notable among these scholars were: *Anwar Quraish*, Muhammad *ameedullah*, *Naim Siddiqui*, *Mahmud Afmed*, *Maulana Maududi*. These all works recognized the need for commercial Islamic banks and evils of interest and proposed models for equity based Islamic banking and were followed by works of *Muhammad Uzair*, *Abd. al-'Arab*, *Najmullah Siddiqui*, *Ahmed al-Najjari*, *Baqir al-Adri*, *M. Yousufuddin*, *S. M. Asanuzzaman*, *Abd. Mannan*, *M. 'Ali Elgari*, *Anas Zarqani*, *Munawwar Iqbal*, *'Umer Chapra*, *Abbas Mirkhor*, *Mosin S. Khan*, *Khursheed Ahmed* and others. This literary pursuit for conceiving an idea of Islamic economics, banking and finance was followed by the initiation of academic training and research programs in Islamic economics and finance at various universities, research institutions and international professional organizations. Initial institutional involvement in this direction includes:

- a) Conference of Finance Ministers of Islamic countries held in Karachi in 1970 and Egypt in 1972; and
- b) First International Conference on Islamic Economics in Mecca in 1976 and in London in 1977.

This way the academic horizon of Islamic finance got widened and research inputs started to be made towards the issues arising with the emergence and development of this system.⁵

As cited above that being a novel academic exercise, Islamic banking and finance emerged in mid-20th century being an off-shoot of newly rediscovered Islamic economics, the writings of which date back to 1940s both in English as

well as Urdu in the Indo-Pak Sub-continent and in Arabic in the Middle-East.⁶ Between 1950s-60s writings on Islamic financial system (specifically on interest-free banking) began to proliferate in the Muslim academic and intellectual world. These writings paved the way for establishing Islamic Banks and financial institutions in the Middle-East and South-Asia.⁷

The re-Islamizing efforts in the fields of economics and finance that were initiated during the 1940s-50s can be understood from various dimensions or perspectives. During its early phase the subject was discussed in a broader context of religion and sociology. In the later years the area attained more maturity and focus. Both, the intellectual as well as practical efforts have played a vital role in the progressive development of Islamic economics and finance to bring it in the current state (of being recognized to be an alternative to conventional economic system). Islamic economics as well as finance are now taught at academic institutions and are vigorously receiving the attention and interest of intellectuals and researchers⁸ Research centers, academic journals, conferences, seminars, introduction to teaching courses, even the establishment of the departments of Islamic economics and finance in world's renowned universities together with writing of a number of doctoral dissertations even in the in western universities-all can be considered as a significant impact of Islamic economics and finance on the academia.⁹

Factors responsible for surge in academic interest in Islamic finance:

As a repercussion of the dire need, that was felt in 1940s among the Muslim intellectual class, for locating out the ways and means to fulfill their financial requirements in view of the tenets of *Shari'ah* including the prohibition of usury (*Riba*). The only mode of financing at this post-colonial juncture available to the world including the freshly liberated Muslim nations was the interest-based conventional economic system. In this backdrop, Muslim scholars and intellectuals and economists took up the strenuous task of building up a theoretical framework for Islamic economic and financial system, notably in Egypt and Indo-Pak Sub-Continent. Initially these works¹⁰ and models of Islamic finance threw light on, how a banking system could work without interest. During the period between 1940s-60s academic concerns or literary works were initially dedicated towards Islamic economics and in the 1950s these works were mainly began to be oriented towards Islamic finance- which forms a part of Islamic Economic setup.¹¹ Thus, this novel and *Shari'ah* compliant system of Islamic finance evolved lively both theoretically as well as empirically as a dynamic branch of Islamic economics and attracted much academic attention prior to its application in post 1970s.¹²

Till 1960s the developments in Islamic finance took place mainly on the intellectual and academic side and the practical form of this newly rediscovered field was largely witnessed through the establishment of Islamic banks and financial institutions post 1970s and from 1990s onwards Islamic banks expanded to the realm of Capital Markets.¹³

Since the time of publication of books like *Najmullah Siddiqui's* "Banking without Interest" providing feasible model of Islamic Banking, several

theoretical models of Islamic banking have been put forth, instituted and globally promoted. The initial academic attempts of conceiving and instituting Islamic banks on Interest-free commercial banking was followed by diverse discourses on nature, scope and operational framework of an appropriate model¹⁴ of Islamic banks.¹⁵ The works of *Siddiqi*, *Maududi*, *Uzair* and others contributed before the advent of the era of actual establishment of Islamic banks and provided an comprehensible outline and exhibition of the model of an interest-free Islamic commercial-cum-central bank working on the basis of Equity or PLS (profit and loss sharing schemes). Similarly works produced by *Iqbal*, *Mirkhor*, *Chapra* etc on Islamic monetary management and corporate governance of Islamic banks provide theoretical insights into a latest model of Islamic Interest-free financial intermediation.¹⁶ These early writings expounded the philosophy and concepts of interest-free finance along with its impact on socio-economic welfare of the society.

The rationale of establishing the Islamic financial or monetary system in the post colonial era, as an alternative to the conventional capitalistic economic system, for realizing Islamic humanitarian goals of human development and empowerment, can be visualized as political as well as economic in scope. The economic rationale arises in the context of protecting at least the set of contemporary Islamic countries from financial crisis by establishing not only an interest-free banking system but instituting progressive universal monetary regime of autonomous Islamic Central Bank.¹⁷

The enormous wealth production of oil-producing countries (mainly the Muslim dominated regions like the Gulf States, which would opt for *Shar'ah* based financial scheme rather than interest based one) in the mid of 20th century, also turned out to be a cause for the need of an Islamic financial paradigm that could offer suitable *Shar'ah* compliant tools and instruments, for Muslims to avoid the *Riba* (usury)-based financial activities.

The large-scale establishment of research institutes and the encouragement of exercising *Ijtihad* to update Islamic tenets in the modern times-resulted in a variety of (academic) attempts to define and propose model for a system that would be intrinsically consistent to *Shar'ah* principles as well as adapted to the contemporary world. The first Islamic conference on Islamic economics was held in Mecca in 1976 which was first of its kind in the history of Islam wherein profound steps were taken in a concrete way to survey this field and promote Islamic economics and finance as an academic discipline. Since then six other conferences have been held in Islamabad (1983), Kuala Lumpur (1993), Loughborough (2000), Bahrain (2003), Jakarta (2005) and Jeddah (2008). King Abdul Aziz University established the International Center for Research in Islamic Economics (ICREIE) in 1979 to conduct and support theoretical and applied research in various subfields of economics. During 1980s-90s such research institutes proliferated throughout the Islamic world and the universities incorporated this area of study in their academic curricula.¹⁸ Al-Azhar Academy in Egypt included Islamic Banking and Finance Research programs in its curriculum and this process of widening the academic panorama

of this novel system was further aided by the publication of the relevant literature enormously by some Muslim student organizations, as some publishing houses were fully dedicated to this field.¹⁹

Decolonization of the Muslim world, oil-boom, Pan-Islamism and changes in political and economic systems globally were the key precursors for the promotion of vigorous momentum in Islamic finance in academics as well as in corporate sector. In the third Islamic Conference held at Jeddah in 1972, a comprehensive plan to reform the monetary or financial system as per Islamic ethics was presented to the Foreign Ministers of participating countries (i.e the member countries of OIC-organization of Islamic Conference). Meanwhile the International Association of Islamic Banks (IAIB) was established, the primary steps of which include publication of literature pertaining to Islamic Finance, “*A Handbook of Banking*” – a scientific and practical encyclopedia in Islamic banking) written in Arabic by famous scholars – was published earnestly at the very outset of this organization.²⁰

Academic research acts as the backbone of any discipline as the theoretical framework for any discipline to function is derived through academic research, Islamic economics and finance being no exception to it, where universities and other academic institutes form the primary centers of research, with economists, professional researchers, *Shari‘ah* scholars and students rigorously carrying out research process in this novel discipline.²¹

Both academic institutions as well as corporate bodies have been vigorously engaged, during the past three decades, in conducting and validating research in Islamic finance and economics (IFE). Academic institutes play the primary role for disseminating and conducting research in IFE. The applied research in Islamic finance conducted mostly within the Islamic Finance Industry as part of their research and development involves specific inquiry into practical problems encountered by the Islamic financial Institutions. Along with the commendable development in the global market, significant increase in research in Islamic finance and economics has occurred in the past three decades. The development of Islamic finance in the corporate sector is closely linked to the research pursued in its field, because as soon as innovative ideas and concepts are generated by the researchers the industry picks up those for implementation.²²

Following are some of the reputed institutions which are actively engaged in Islamic finance and economic research²³:-

1. Islamic Research and Training Institute (IRTI), Jeddah, Saudi Arabia.
2. King Abdul Aziz University (KAAU) Saudi Arabia.
3. International Islamic University, IIUM-Malaysia.
4. International Islamic University IIUI-Islamabad, Pakistan, which has upgraded its International Institute of Economic to College of Islamic Finance.
5. Aligarh Muslim University, AMU-India.
6. International Institute of Islamic Banking and Insurance, IIBI- London.
7. The Institute of Islamic Business and Finance, IIBF-India.
8. The Institute of Middle-East and Islamic Studies, Durham University.

9. Trisakti University, Indonesia.
10. Islamic Foundation set up by the Markfield Institute of Higher Education in conjunction with Loughborough University.
11. The Centre for Islamic Banking, Finance and Management of University of Brunei, Darussalam.
12. Kolej University Islam, Malaysia.

Thus it is evident that Islamic economics, banking and finance saw a gradual development worldwide in the corporate sector as well as witnessed the proliferation of academic institutions either fully dedicated to this field or simply adopting its modules in their curricula.

Islamic Finance Education in India:

Aligarh Muslim University (AMU): In India the AMU, started to offer a PG Diploma program in Islamic Banking and finance from 2009 academic session, to meet the increasing demand of trained professional in Islamic finance. This was decided by the academic council of the varsity. As there is a worldwide interest in the Islamic banking, facilitating its teaching at university level is the need of the hour.²⁴ One of its objectives is to make contribution to the knowledge through a deep and broad study of Islamic Economics and Banking in accordance with the modern globalizing world and thus aims to endow the students with such skills and knowledge that are related to contemporary demands in Islamic financial markets.

Al-Jamiya-al-Islamia, Kerala: In collaboration with International Association for Islamic Economics (IAFIE), this academic institution gave serious attention towards educating Indian people about Islamic economic system. The institution has initiated its one year post graduate diploma in Islamic economics and finance (PGDIEF), for which all academic backup was given by the members of IAFIE (International Association for Islamic Economics) and infrastructural and financial support was provided by Al-Jamiya al-Islamiya. While emphasizing the comparative analysis of the Islamic banking and finance and its conventional counterpart, the course curriculum of the diploma includes both theoretical and applied aspects of Islamic economics and finance. The course includes following papers²⁵:-

- The nature and principles of Islamic economics.
- Basic economic measures in *Qur'an* and *Hadith*.
- Islamic banking and finance.
- Islamic finance.
- Accountancy with computer application (tally).
- Functional Arabic.
- Modern banking, finance and insurance.

The International Institute of Islamic Business and Finance (IIIBF): It is an extremely useful source through its (Islamic Business and Finance) IBF-Net discussion forum, E-Library and publications. Further, its Diploma and Certificate programs in Islamic finance like, Post Graduate Diploma in Islamic Finance and Management (PGDIFM), Certified Islamic Banker (CeIB), Certified Islamic Insurance Professional (CeIIP) and Certified Islamic Investment

Analyst (CellA), enhances the academic progress of Islamic economics and Finance in the contemporary academic scenario. All the courses offered by IBF-Net are recognized by Trisakti University Indonesia.²⁶

Indian Centre for Islamic Finance (ICIF): In addition to above mentioned institutions, ICIF-Indian Centre for Islamic Finance- also aims to present Islamic economic and financial system as an alternative to the prevailing interest based system²⁷. It has established a networking for individuals and institutions working in Islamic economics and finance sector. It aims to:-

- Develop an institution of research, studies and training at the highest level of scholarship in the field of Islamic economics and finance.
- To undertake theoretical and empirical studies for the application of Islamic economic and financial principles in India.
- To publish the research works undertaken by the Centre and other institutions and collectively or individually.
- To establish a networking for regular contacts and exchange of ideas among the scholars in working in this direction in corporate as well as academic sector, by organizing national and international seminars , symposia and training programs.

Ethica Institute of Islamic Finance (EIIF): It is an accredited institute established at Dubai and is one of the top most institutes providing Islamic finance education and training in the world. In consecutive years of 2009, 2010 and 2011, the institute received the “Best Islamic Finance Training Institute” award nomination from Islamic Business and Finance Magazine. In the year 2011, it also received the “Best Islamic Finance Qualification” award from Global Islamic Finance Awards in the U.K. Headquartered in Dubai the institute is widely spread in more than forty countries with more than twenty thousand users worldwide. The institute is presently bridged with different governments, educational institutions and corporations across various lands like North America, Europe, Africa, Middle East, Asia including country India and Australia.

In India the institute has started various programs with special discount rates for Indian students through its exclusive partner – *Infinity Consultants*, Bangalore. The institute also provides certificate programs:

- a) CIFE (Certified Islamic Finance Executive); and
- b) Advanced CIFE in Islamic Accounting.²⁸

Institute of Islamic Banking and Finance (IIBF), Hyderabad: The institute is incorporated with the government of Andhra Pradesh and offers professional education, research and training in the field of Islamic Banking and Finance. The institute retains its academic autonomy by not being affiliated to any university, thus independent in terms of framing course design, methodology and orientation. The institute provides PG Diploma in Islamic Banking and Finance, which is now pursued by the students belonging to more than twenty countries around the world. The institute has also received enquiries from more than thirty countries with different requests like setting up centers, providing academic support, backup for managing similar institutions worldwide. The

institute is regarded a virtual web varsity and also has on its roll students from IIMs, IITs and other leading Business Schools and Universities from India and abroad. PG Diploma in Islamic Banking and Finance is designed as a *Distance Learning Program* so as to provide knowledge resources in a comprehensive and compact manner. The course is being designed by the professional Islamic Bankers in such a way so that the students learn in a convenient, manner and also feel an urge by pursuing the course to gain more information from various other sources related to Islamic Banking and Finance²⁹.

On April 25/26, 2009, a national workshop on teaching *Islamic finance at Indian Madrasahs*, was organized by Institute of Objective Studies and Islamic Fiqh Academy (India) sponsored by IDB -Jeddah at the Scholar House New-Delhi (Convention Centre of Hamdard University). This workshop was held to introduce the discipline of Islamic economics and finance in the proliferated *Madrasahs* of India where the whole focus is given on the *Sharī'ah* education and incorporation of Islamic economics and finance will add to the knowledge of *Sharī'ah* scholars studying in these *Madrasahs*, so that the Islamic banking and finance industry will be efficiently supported by these *Sharī'ah* scholars. Out of 113 invited institute and *Madrasahs* only 69 institutions participated. Some of these institutions are³⁰:-

1. Islamic Fiqh Academy.
2. Institute of Objective Studies, New Delhi;
3. King Abdul Aziz University, Jeddah;
4. Islamic Research and Training Institute, Jeddah;
5. All India Council of Muslim Economic Upliftment, Mumbai;
6. Darul Umoor, Sri Ranga Patnam, Karnataka;
7. Jamia Islamia, Shantapuram, Kerala;
8. Darul 'Uloom Deoband (Waqf);
9. Nadvatul 'Ulamā', Lucknow;
10. Jamia Ni'imia, Hyderabad;
11. Al-Mahdal 'Aali littadrib fil Ifta wal Qada, Bihar;
12. Jamiat-e-Islami Hind, New Delhi;
13. Indian Center for Education in Islamic Finance, New Delhi; and
14. Islamic Banking and Finance Net, New Delhi.

Dr. Ausaf Ahmed, *Najī tullah Siddīq*, Dr, Rehmatullah, *Maulā nī Ne'matullah 'Azmi* and other notable '*Ulama* and intellectuals graced the occasion.

Owing to its enormous Muslim population (being the largest Muslim minority in the World) and the global 'shift from conventional to Islamic finance', India is expected to adapt Islamic banking and finance in its academic as well as corporate sector in future at macro-level because currently some legal, political and economic factors halt the development of Islamic finance in India, at a large scale.

Islamic Finance Education in Sri Lankan Academia:

Institute Bankers of Sri Lanka (IBSL): In Sri Lanka, the first Diploma course in Islamic Banking was launched in 2009 by Institute Bankers of Sri Lanka (IBSL) in collaboration with Amana investment Ltd-(a pioneering institution in

Islamic financial services.).The Diploma structure, its contents, practical knowledge and training is designed by Amana Resource pool which served as the strategic partner to IBSL for providing the resource personnel for the course. The course curriculum spreads over six months covering areas such as ‘origin of Islamic Economics, sources of *Shari‘ah* law, Islamic economic theory, applied Economics, Islamic Financial products and their respective documentation, Principles of *Shari‘ah* accounting, risk management, Islamic insurance (*Takaful*) and capital markets’³¹.

In another step to introduce Islamic finance system in Sri Lanka, the Lankan Lawyers - {the Bar Association of Lanka (BASL)} and Accountants’ Association- {the chartered institute of Management Accountants(CIMA)} have brought together experts in Islamic finance on 28th March, 2011 by hosting a program on Islamic Finance to enlighten this newly growing financial sector³².

Institute of Business Studies (IBS) Sri Lanka also started to offer some courses in Islamic finance from September 2010 onwards. The course covers Islamic Economics (Diploma Level) and Islamic Finance (Advanced Diploma Level).³³

First Global Knowledge Centre (FGKC):

launched in May 2006 – as the Educational arm of the First Global Group – became the pioneer in Islamic Banking and Finance education in Sri Lanka by introducing innovative programs of study in this rapidly expanding novel discipline.

Currently it offers courses including the following:³⁴

- Post Graduate Diploma in Islamic Banking and Finance,
- Certified Takaful Professional,
- Certified Islamic Funds Manager,
- Certified Sukuk Professional, and
- Certified Islamic Microfinance Manager.

Recently another innovative program branded as iBanker has been launched by FGKC. This is a unique diploma level course which covers not only Islamic Banking and Finance but also conventional banking, risk management, and investments.

The emerging industry of Islamic Finance needs qualified people who can contribute positively towards the success of the field. But unfortunately statistics show there is an acute shortage of such a knowledgeable workforce at present. As per a statistical report of the International Islamic University of Malaysia (IIUM), two million Islamic finance professionals were required to fill positions in (Islamic Financial Institutions) IFIs worldwide by the year 2020.³⁵ One objective of the introduction of this course by FGKC is to assist the industry by filling this void. Another feature of this course is that it covers the syllabus of the popular world recognized Islamic Finance Qualification exam (IFQ) of the Chartered Institute for Securities & Investment, UK.³⁶

Being the only accredited training provider in Sri Lanka for the prestigious Chartered Institute for Securities & Investment (CISI, UK), FGKC offers the Islamic Finance Qualifications (IFQ) and is also accredited to offer IFQ

in the Maldives, Qatar, Bangladesh and Pakistan. The Chartered Institute for Securities & Investment (UK) is the largest and most widely respected professional body for those who work in the securities and investment industry. Formed as the "Securities Institute" in 1992 by the members of the London Stock Exchange, the Institute got charter status in November 2009. The faculty of First Global comprises of practicing and highly qualified experts and academics with elegance for teaching. By gaining an insight into the real life applications of theory learnt, the students greatly benefit by the lecturers industry exposure. In the modern geo-economic scenario, Islamic Banking Finance is an ideal discipline for those who are interested in pursuing a career in a dynamic and vibrant environment.³⁷

The confluence of the expertise of Sri Lankan Lawyers and accountants in Islamic finance can be considered as a pivotal step to broaden understanding of this rapidly growing niche in the financial sector. Also the Chartered Institute of Management Accountants (CIMA) Sri Lanka Division and the Bar Association of Sri Lanka (BASL) are hosting programs on Islamic Finance and Banking regularly.³⁸

The country observed amplified interest and attention with regard to academic aspect of Islamic Finance over the last few years, in the form of frequent seminars, reports in media and literature. Even the advancement in the Islamic Finance in Sri Lanka has been felt by the Regulators and the Authorities such as the Ministry of Finance, Tax policymakers, Central Bank, Securities and Exchange Commission etc.³⁹ Thus, Islamic Finance in Sri Lankan academic as well as corporate field is passing through its blossoming stage. Facing a number of hurdles, the novel field is still growing steadily and in future is expected to enhance the course of its prolific development.

Conclusion:

With commencement of the second half of the 20th century the world panorama showed a gradual transition of its geo-political phase towards the geo-economic one. As the politically dominated lands (most of them being Muslim dominated) had almost scored independence from the Western imperialists, every liberated nation being supplemented with intellectuals and policy makers exerted via a multitude of ways to get rid of the slumber of non-development, induced due to imperialism and thus reviving and revitalizing the socio-political, religious, and economic doctrines as per demand of the circumstances. It was in this connection that during the mid of 20th century intellectuals and scholars of Islam felt the need of revitalizing their religio-political and economic policy to bring the life of Muslim masses in consonance with the *Shari'ah* on one hand and compatible to the modernizing world on the other. Islamic economics, banking and finance in the modern era owes its origin to these conditions and thus academically brought under consideration during mid of 20th century, saw its practical implementation in 1975 onwards and it has turned into a trillion industry nowadays. Recognized as a novel discipline in academics and as an alternative to the conventional economic system throughout the globe, it has shown significant tendency in the Muslim minority regions as well.

The above assessment of the Islamic Banking and Finance both in Academics in two South Asian Muslim Minority Countries, Indian and Sri Lanka, reveals that it is a successful branch of academics being scope oriented with thriving results. Being taught at various Universities and Institutes it is gradually growing in corporate sector with a significant rate as well in these countries. However it needs to be asserted here that still this novel field is in its nascent stage in these countries owing to some political as well as legal impediments, which need to be evacuated in the course of time, so as to get the substantial advantages out of its implementation on a large scale, both in academics as well as corporate sector. Also the higher educational institutes should pay an immediate attention towards the proliferation of this latest and novel academic discipline which is in dire need of its professionals worldwide.

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- ¹ These movements include the *Wahabi* movement and the *Idrisi* movement (19th century) which strived for making people strictly observant to the *Qur'an* and *Sunnah*, needed to be followed in their literal sense without paying any attention to the philosophical and mystical commentaries made over them. They strictly refuted all those practices added to the Islam in the later periods. As for as the leaders of these movements are considered, they thought that 'moving away from the basic sources of Islamic *Shari'ah* was actually responsible for Muslim decadence.
- ² *al-Ikhwaniyya al-Muslimiyya* was founded by an Egyptian religious scholar and reformer namely *Hassan al-Banna* (d.1948), while *Syed Abu al-A'li Maududi* founded the *Jama'at-e-Islami* (Indo-Pak Subcontinent). Both of these were religio-political organizations of the 20th century.
- ³ al-Ashkar, Ahmed Ab. Fattah and Wilson, Rodney. *Islamic Economics: A Short History*. Leiden, 2006, p: 315; as cited by Montgomery, John. *Ethics, Practice and Future of Islamic Banking and Finance*. Durham, California, 2010, pp: 4-5
- ⁴ *Ibid*, pp. 4-10
- ⁵ Ahmed, Khursheed. *Review of Islamic Economics*. Islamic Foundation Association, UK, No:9, pp-57-62, 2000; See also, *Warde, Ibrahim*. *Islamic Finance in the Global Economy*. Edinburgh University Press, Edinburgh, 2000, p-40.
- ⁶ The earlier writers on Islamic banking and finance include, *Abu al-A'li Maududi*, *Anwar Qureshi*, *M. F. M. Abd A. F. med*, *Muhammad 'Uzair*, *B. qir al-Adri*, *Najmullah Siddiqi* etc. they proposed the models of Islamic banking and highlighted the evils of interest based financing.
- ⁷ *Kahf, Monzer*. *Strategic Trends in the Islamic Banking and Finance Movement*, paper presented at Harvard Forum on Islamic Finance and Banking, Harvard University, Cambridge, April, 2002.
- ⁸ *Iqbal, Munawar and Salmun Syed 'Ali*, in *Munawar Iqbal et. al.*, (eds) *Advances in Islamic Economics and Finance*. vol.1, IRTI, Jeddah, 2007
- ⁹ *Siddiqi, M. Najmullah*. *Islamic Banking and Finance in Theory and Practice: A Survey of State of Art*, in *Islamic Economic Studies*, vol: 13, no: 2, Feb.2006
- ¹⁰ Such earlier works include that of *Najmullah Siddiqi*'s *Banking without Interest*, *'Uzair's Interest free Banking*, and similar works of *M. Maududi*, *Anwar Qureshi* and other scholars.
- ¹¹ *al-Jarhi, Dr. Mabid 'Ali*. *Islamic Banking and Finance: Philosophical Underpinnings*, in *Salmun Syed 'Ali and Ausaf A. F. med* (eds), *Islamic Banking and Finance: Fundamentals and Contemporary Issues*, IRTI, Jeddah, 2007, p-1.
- ¹² *Al Jarhi, op.cit.*, p-21.

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- ¹³ *Ibid.*, p-2. See also, Nḡ Ḳim Zamḡ n and Mehemt Asutay in *IUUM Journal of Economics and Management*, issue: 17, no: 4, 2009, pp: 73-96.
- ¹⁴ Various models of Islamic Banking as put forth by the Islamic financial experts and scholars include, (a). Business Bank, (b) Mutual Saving and Investment Association.(c).Islamic Saving Bank,(d) Islamic Investment bank, (e)Islamic Narrow Bank (f)Islamic Universal Bank.(g)Council of Islamic Ideology (CII's) model-1980, (h) *Mabid Al. Jarhi's* model-1981, (i)Ansari's institutional structure and working mechanism Model-1983 (j).*Chapra's* monetary management model -1996 etc. *Ibrḡ ḡm Warde, Islamic Finance in the Global Economy*, op.cit, pp: 75-76.
- ¹⁵ *Ethics, Practice and Future of Islamic Banking and Finance*, op.cit, 2010, pp: 4-5.
- ¹⁶ *Anjum, M. Iqbḡ l.* "An Inquiry into Alternative Models of Islamic Banking", in *Munawar Iqbḡ l et.al* (eds) *Advances in Islamic Economics and Finance*, vol-1, IRTI, Jeddah, 2007, pp: 419-424.
- ¹⁷ *Ibid.*, 419-458
- ¹⁸ Warde, *Ibrḡ ḡm. Islamic Finance in the Global Economy*. Edinburgh University Press, Edinburgh, 2000, p: 41.See also, *ḡanḡ f M. Aslam. Research in Islamic Economics: The Missing Farḡ 'Ayn*. University Islam Antarabangsa, Malaysia
- ¹⁹ Montgomery, John. *Ethics, Practice and Future of Islamic Banking and Finance*, 2010, p-8.
- ²⁰ Warde, *op.cit*, pp: 75-76
- ²¹ S. Nḡ Ḳim 'Aḡḡ. "Islamic Finance and Economics as Reflected in Research and Publications". in *Review of Islamic Economics*, International Association for Islamic Economics, Qatar, vol: 12, No:1, 2008, pp:151-168.
- ²² *Ibid.*, pp: 151-152
- ²³ *Ibid.*
- ²⁴ <http://www.nvo.news.com>
- ²⁵ For details, see http://www.aljamia.net/aljamia_course_detail.php?fid=5
- ²⁶ Ali, *op.cit*, p-519
- ²⁷ For details, see ICIF's website, <http://www.icif.in/index.php>
- ²⁸For details, see <http://www.ethicainstitute.com>; <http://www.infinity-consult.com/islamic-finance/training>
- ²⁹ For details, see <http://www.islamicbankinst.com>
- ³⁰ Report from, *National Workshop on Teaching Islamic Finance at Indian Madrasahs*, organized by Institute of Objective Studies, Islamic Fiqh Academy (India) and IDB-Jeddah, held at Scholar House New Delhi on April 25-26, 2009
- ³¹ <http://www.Islamicbanking.blogsom.com>
- ³² <http://ifinanceexpert.wordpress.com>
- ³³ <http://azharseylan.wordpress.com>
- ³⁴ *Islamic Finance Country report*, KPMG International, Sri Lanka, 2011
- ³⁵ <http://www.cimglobal.com>
- ³⁶ <http://www.sundaytimes.com>
- ³⁷ <http://www.sundaytimes.com>
- ³⁸ <http://www.islamicfinance.de>
- ³⁹ Islamic Finance Report, KPMG Sri Lanka and Research Intelligence Unit, Sri Lanka, Sep- 2011, p-1. For details, see: <http://www.kpmg.com/LK/en/Pages/default.aspx>