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General Perception of Educated Person toward Islamic Banking and Finance in City of Delhi and Meerut

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Abstract: *India is land of opportunities and wonder that is why everybody sees as favorite destination of investment. If we talk about seventeen century India and China bag 50% export and 60% accumulated wealth of the world. This is not only dimension about which people talk but India remains the center for different faiths, caste creed religions and importantly India remain fertile land to floureous everything with rapid growth. Today we talk about my study about Islamic Banking in most prominent part of India and found very important insight about most modern concept of Ethical banking which is popularly known as Islamic banking. And try to know the ground realty and popular views about the subject and reason for bright future. Sample size of my study is 250 person of different back ground including students and ask the response by open-ended questionnaire as we know available information about Islamic banking has unfortunately been misunderstood in India as a religious charitable venture restricted to the country's poverty-ridden and economically downtrodden Muslim community. Even years of successful Islamic banking operations and its phenomenal growth around the world have failed to demolish this myth. RBI and the Ministry of Finance should examine Islamic Banking as a viable alternative to tackle the macro economic problems. Recently when most prestigious institute of India popularly known as chartered accountant of India make one of its elective as Islamic banking and finance. The concept became more valuable. After this announcement (CAII) the perception of educated people change very much and I found 70% youngster want to know about the concept in Delhi and 50% in Meerut and elderly person have mix views. And very few think this is not good for our economy since we are having well organize banking sector so why we go for uncontested venture .and very less are neutral and having no views*

Keyword: *Microfinance, Islamic window , Riba. Shariah , Fiqa., Banking system ,perception*

I. INTRODUCTION

This is era of financial inclusion and digital financing but in core of these concepts one thing is very common that everyone pay certain amount of cost in the form of commission or interest .But there is one unique concept in the financial world that comes as no surprise that Islamic Banking is booming. The concept of interest is fundamental to the business of banking. With this background it is very interesting that sharia banking is working without profits and is still flourishing. They are not only profitable but are also growing at an astonishing rate in sense of capital, assets and consumers. From Jakarta to Jeddah t Jordan, 280 Islamic banks operate in over 50 countries, with assets estimated between \$ 250 million and \$ 300 billion.

II. ISLAMIC BANKING – AN OVERVIEW

Islamic Banking refers to a method of banking that is based on Islamic Law (Shariah) which prohibits ‘interest based banking’ and permits only ‘profit sharing based banking’. The concept is based on a verse of the Holy Quran that says —Allah has allowed only legitimate trade and prohibits interest’. It is against the interest, as interest is believed to lead to exploitation and unproductive income. Islamic banking has the same purpose as conventional banking except that it operates in accordance with the rules of the Shariah, known as Fiqh al-Muamalat (Islamic rules on transactions). So, today, by Islamic Banking one does not mean a mere lending institution extending interest-free loans, but a package of Shariah-compliant (strict adherence to Islamic economic norms) financial services like Islamic mutual funds, Islamic bonds (sukuk), Islamic insurance (takaful), Islamic credit cards and other technology-driven services like ATMs and online banking, all of which have a tremendous market in India. Incidentally, the Dow Jones Islamic Index has, after suitable vetting, declared 60-70 percent of Indian companies on the BSE and NSE as Shariah compliant for equity investment. In India there are reportedly 200 small Islamic banking institutions in Kerala alone. The deposits of each of these banks range from Rs. one lakh to Rs. ten lakhs and they do not restrict their lending to Muslims alone. In many Western countries mainstream banks are now opening special no-interest divisions to cater to Muslim clients who refuse to either

pay or earn interest. But this is clearly the response to a niche-market of clients with special needs. There is still a long way to go before the idea of interest-free money is taken seriously by conventional bankers and policy maker.

III. RBI AND ISLAMIC BANKIN

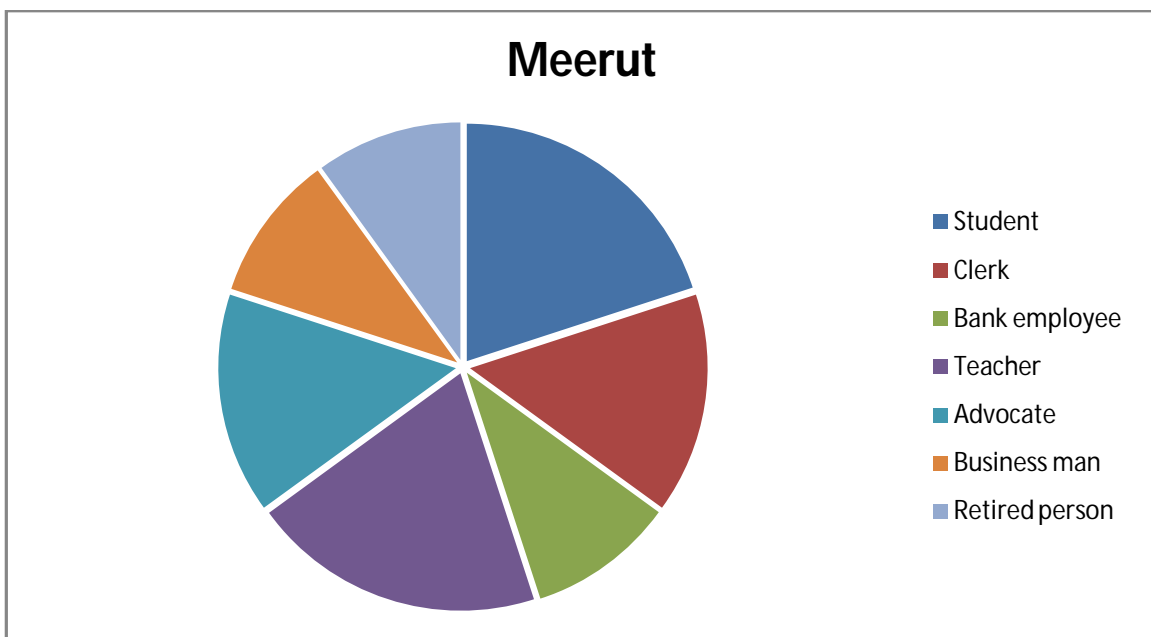
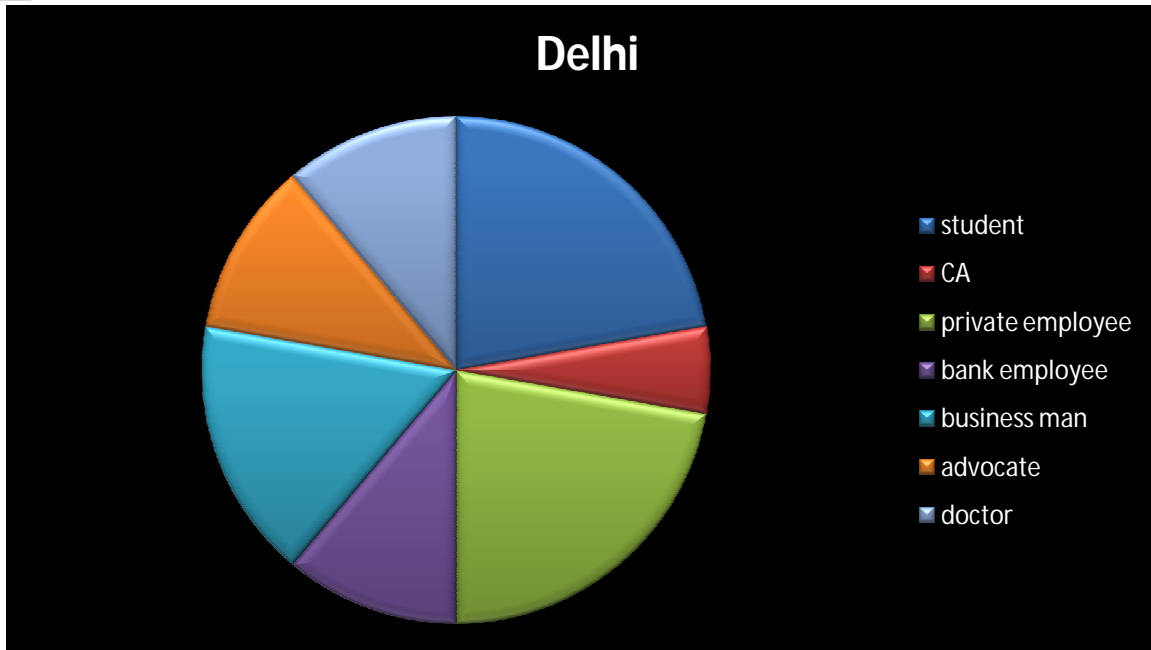
- A. The Reserve Bank of India (RBI) has proposed opening of “Islamic window” in conventional banks for “gradual” introduction of Sharia-compliant or interest-free banking in the country. Both the Centre and RBI are exploring the possibility of introduction of Islamic banking for long to ensure financial inclusion of those sections of the society that remain excluded due to religious reasons.
 - B. “In our considered opinion, given the complexities of Islamic finance and various regulatory and supervisory challenges involved in the matter and also due to the fact that Indian banks have no experience in this field, Islamic banking may be introduced in India in a gradual manner.
 - C. “Initially, a few simple products which are similar to conventional banking products may be considered for introduction through Islamic window of the conventional banks after necessary notification by the government.
 - D. “Introduction of full-fledged Islamic banking with profit-loss sharing complex products may be considered at a later stage on the basis of experience gained in course of time,” the RBI has told
- 1) *Objectives of study*
 - a) To know basics of Islamic banking
 - b) To know about the perception of people about Islamic banking
 - c) To know about Islamic banking in Metros and tire two cities
 - d) To review the potential of Islamic Banking in India

Table No.1 Data collected from Delhi

Age group	Profession/No.	Aware	%
25-35	20 Student	YES	16
35-40	35 Private employee	NO	29
40-45	10 Teacher	YES	8
45-50	10 Advocate	YES	8
50-55	20 Self employed	YES	16
55-60	15 Business man	YES	12.5
60-65	10 Retired	YES	8

Table No. 2 Data collected from Meerut

Age group	Profession/No	Aware	%
25-35	10 student	NO	9
35-40	30 Private employee	NO	28
40-45	10 Teacher	YES	9
45-50	20 Advocate	YES	18
50-55	10 Self employed	NO	9
55-60	15 Business man	YES	14
60-65	11 Retired	YES	10



2) Findings and suggestions

- a) Generally people are not known about Islamic banking. Those who know that is not correct information. But people are very much eager to know such a good concept
- b) In Delhi only 29% are not aware about Islamic banking belong to private jobs.
- c) Equal No. of students, professionals are aware about Islamic Banking
- d) Most of professional want deep knowledge about Islamic finance
- e) Especially students of higher studies in Delhi area are eager to do research in Islamic Banking
- f) In case of Meerut 37% people are not aware about Islamic Banking
- g) Here students are not aware about Islamic Banking
- h) It is needed to translate literature in other languages
- i) This must be convey to masses that Islamic Banking is open to all not only to Muslim
- j) If the name of Islamic banking can be use like Ethical banking is good for the health of Islamic banking

IV. CONCLUSIONS

This is in the best interest of India to permit Islamic banks to operate and expand their network in the country along with traditional banks as their main focus is on social well being and wealth generation activities in the society. It is hoped that their participation in Indian banking will lead to further infrastructural customer base development in India. This is one of good point in my studies that student and professional want to know about this concept that mean in India larger population is below 35 year of age so concept of Islamic banking has very promising future a head.

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Annexure

The bellow data (sample data) has been collected from many account holders of public banks of Delhi.

1

Shariq Qamar	29	Employee	Shariqqamar2003@gmail.com
1	Yes		
2	I think both are good. There is no big difference between the two.		
3	Its really unique thing in Islamic.		
4	It will be good		
5	Ethical.		

2

Vinod chouhan	31	Employee B.P.O	9643080529
1	No		
2	I don't know IB. so comparision is difficult.		
3	It's a good think I admire.		
4	I don't think this well help our economy.		
5	Whatever you name.		

3

Garav Sharma	27	Employee	Gauravsharm2009@gmail.com
1	No very much- just heard.		
2	Partnership seems to be attractive, but I think both are for peoples benefits.		
3	Damn good.		
4	They can to introduce.		
5	Islamic banking.		

5

Saleem engineer	40	Engineer	Ersaleem2017@gmail.com
1	Yes a little bit.		
2	Allah prevented us from interest. So IB is the for us.		
3	Really good thing of islam.		
4	Yeah we need it.		
5	Islamic banking.		

6

Faizan ansari	23	Student	Faizanahmadansari12@gmail.com
1	Yes		
2	For me IB will be better as it is based on partnership		
3	Good decision.		
4	It should be in india.		
5	Ethical.		

7

Abdurrahman sukka	34	Employee	Sukkabdurrahman1@gmail.com
1	No		
2	I don't know about it but I like partnership.		
3	Its good idea.		
4	It will be good to have some new experience.		
5	Ethical banking.		

8

Albrar ahmad	26	Student	Abrarahmad729@gmail.com
1	No		
2	I will prefer IB. interest Is haram in islam.		
3	I don't know whether its not good or bad.		
4	It will be good for both public & government.		
5	Ethical.		

9

Jaisal agarwal	37	Software engineer	Er.jaisalagarwal621@gmail.com
1	No		
2	C.B is better for because I know it very well.		
3	Good thing.		
4	I do not support as it just relates to one particular community it should be for all.		
5	Ethical.		

10

Neha yadav	24	Bsc mathematics	Nehayadav234@gmail.com
1	No		
2	I think both are good. Which is more better it depend on people who run it.		
3	I agree...		
4	Yeah. It can be brought in india.		
5	Islamic.		

12

Archana varma	34	Housewife	No
1	No		
2	Partnership looks better. I mean IB		
3	I appreciate this motive.		
4	I don't have any problem.		
5	Whatever you name it.		

13

Zeeshar zafar	42	Business	Zeeshanzafar976@gmail.com
1	Yes		
2	For me as a muslim I.B is better then C.B because of interest.		
3	This is teaching of islamgood.		
4	We should request our government.		
5	Ethical.		

14

Zafarul islam khan	65	Journalist-milli ghazatte	Zafarulislamkhan403@gmail.com
1	Yes		
2	Definetley IB is really better not just for muslim but everyone.		
3	Good thing.		
4	Some people are trying best to bring it in india.		
5	Ethical or interest free banking.		

15

H abduraqeeb	60	Head of india center for Islamic finance delhi	
1	Yes very well.		
2	I.B is better the proof is IB`s continuously growing in the world. Every country is eager to adopt it.		
3	We appreciate it.		
4	We are trying our best and we hope that one day it will start in india.		
5	Interest free banking.		

16

Qasim rasool	55	Politics	Qasimrasoolilyas123@gmail.com
Answer:-1	Yes		
2	IB is better because it deals on the basis of profit sharing & loss. Its very neat & clean system no way of gambling.		
3	Good step for society`s welfare.		
4	It`s the need of the time. We must adopt it.		
5	Ethical or interest free banking.		

17

Anwarul haq	31	Employee	Answarulhuque219@gmail.com
1	Yes		
2	For me Islamic banking is better.		
3	Appreciable.		
4	We need it & it should be open for all.		

5	Ethical banking.
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18

Shariqansar	27	Media	Shariqansar122@gmail.com
1	Yes		
2	I think IB is better. In spite of that I do. Not have its experience.		
3	Good idea.		
4	We are eagerly waiting for it.		
5	Interest free.		

20

Shamail nabi	24	Student	8218373514
1	Not very much- just heard.		
2	Partnership is very attractive and there is no concept of interest in islam.		
3	Good job done by I.B		
4	I want it to be india.		
5	Ethical.		

81

Muzammil akram	23	Graduate	Muzammilakram.10@gmail.com
1	No		
2	But I like Islamic teaching and I hope IB is too good for us.		
3	I am okey		
4	Yeah must be allowed for muslim		
5	Ethical		

82

Ravi kuram	26	b.tech	ravikumar@yahoo.com
1	No		
2	For me CB is better because it is very well known to us.		
3	Agree		
4	Why do we need? We have CB		
5	Ethical banking		

83

Abdurrahman saifi	36	Aalim	Abdurrahman sai_0@gmail.com
1	Yes		
2	I.B is better for everyperson not just muslim. Its based on sharing profit & loss		
3	Completely agree		
4	This must be allowed		

84

Shueb qureshi	27	M.A English	Shuebqureshi@gmail.com
1	Yes		
2	For me both are good.		
3	This is very unique & good.		
4	Yeah can be allowed.		
5	Ethical		

85

Istekhar aalam	23	Student	istekharaalam@yahoo.com
1	Yes		
2	Sorry I don't know about it		
3	This is really good		
4	I don't have problem if govt allow it		
5	Islamic banking		

86

Mohammad najeebullah	29	Phd	Mdnajeebullah_21@gmail.com
1	Yes		
2	IB is better. Now the world is running towards IB.		
3	Based on teaching of islam okey		
4	Must be allowed		
5	Ethical banking		

87

Babr naqvi	35	Employee	Babarnaqvi01@gmail.com
1	No		
2	For me as a muslim IB will be better.		
3	Ok		
4	Should be allowed		
5	Ethical		

88

Furqan rizvi	36	Business	furqanrizvialam@gmail.com
1	Yes		
2	IB is better C.B is not good because of interest although we are using		
3	Damn good		
4	Should be allowed		
5	Ethical		

89

Irfan ahmad	27	Msc	irfanahmadmsc@gmail.com
1	Yes		
2	We actually don't have practical experience of I.B I think C.B is better		
3	Its good		
4	Can be allowed		
5	Islamic		

90

Rajesh yadav	26	b.tech	Rajeshyadav.2@gmail.com
1	Cant say		
2	We don't need to talk about islam its religion of terrorism		
3	Its good concept it concept band.		
4	Cant be allowed		
5	Shariah		



Shabeena sahar	25	M.A urdu	Shabeenasahar-lyahoo.com
1	Yes		
2	IB is better just because of sood		
3	Its really good		
4	Should be allowed		



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