

Financial Inclusion for Muslims in India: How Can Islamic Finance Help?

Bangalore, India – October 15, 2012 --- Ethica Institute of Islamic Finance, the world's most heavily-enrolled Islamic finance certification institute, teamed up with their exclusive partner in India, Infinity Consultants to recently deliver "Achieving Financial Inclusion for Muslims in India - How Can Islamic Finance Help?", a live talk presented by Saif Ahmed, Managing Partner at Infinity Consultants.

The webinar, which was attended by professionals and students from eight countries, introduced a refreshingly new dimension to the topic of financial inclusion in India for Muslim, the country's largest religious minority. Saif Ahmed stated that despite the Indian Government's strong push towards financial inclusion, the unique and growing requirement by Muslims for financial products and services that are in conformity with Islamic law has been missing from discussions and policy initiatives from all the players concerned. The Sachar Committee report of 2006 proves that Indian Muslims are more financially excluded than the rest of the population; however the real reason for this gap Saif explained is that Muslims are increasingly becoming averse to interest-based products and services as they go against the tenets of their faith - a point raised by the present Chief Economic Advisor to the Government, Dr. Raghuram Rajan back in 2008.

Emphasizing that Islamic finance is not just for Muslims, Saif Ahmed said that, "Muslims being allowed to conduct their financial activities as per their faith is a win-win situation for all concerned," and that financially including Muslims through Islamic finance enables India to achieve true, inclusive growth by bringing the Indian Muslim community out of their "victim" mindset and enabling them to be true contributors to the India growth story by building businesses, buying assets and investing productively.

Among other interesting insights that were made in the webinar, with a recording now available at http://www.ethicainstitute.com/achieving_financial_inclusion_for_indian_muslims.aspx, was the notion that India represents the "last frontier" for Islamic finance, which is the largest global alternative financial system and is now present in many Muslim minority countries across the world. A comparative analysis of how different governments in such countries have facilitated Islamic finance was also made during the webinar that included countries such as France, Ireland, Luxembourg, USA, Canada, UK, Hong Kong, Singapore, Australia, Thailand, Kenya, Sri Lanka and South Africa. This analysis becomes all the more relevant in light of the landmark statement made last month by the Reserve Bank of India (RBI) Governor D. Subbarao that sought an amendment to the current banking laws in order to introduce Islamic banking in India.

So what is it that is required to kick start Islamic banking and finance in India? The key challenges for achieving this as detailed in the webinar included creating broad-based awareness and a dedicated human capital pool, along with the need for significant R&D innovation and regulatory support from the authorities. Interestingly, Saif Ahmed stated, "many Islamic finance concepts can be introduced in India right now by being innovative and without changing any laws," and went on to discuss some of the Islamic finance initiatives that Infinity is presently working on including Islamic microfinance based on profit and loss sharing, enabling charitable Zakah funds-based skills development for those below the poverty line, and an interest-free version of a chit fund company or ROSCA (Rotating Savings and Credit Association) that enables members to simultaneously save and borrow. In this regard, Infinity Consultants has pioneered the establishment of Zayd Chit Funds Pvt. Ltd. that was established earlier this year in Bangalore as India's first Shariah-compliant, registered chit fund company governed by The Chit Funds Act of 1982.

The webinar is now available at:

http://www.ethicainstitute.com/achieving_financial_inclusion_for_indian_muslims.aspx

About Infinity Consultants

Infinity Consultants (<http://www.infinity-consult.com>) is a Sharia-compliant advisory firm based in Bangalore, India focused on delivering financial and investment advisory solutions to clients in the GCC region and advising on cross-border investment opportunities between India and the Middle East. Infinity is also pioneering several Islamic finance initiatives in India as part of its mission to

introduce an ethical alternative to the conventional interest-based financial system and is also at the forefront of providing Islamic finance training in the country through its exclusive partnership with Ethica Institute of Islamic Finance, Dubai. For more information about Infinity Consultants, or to schedule an interview please call +91-80-6547 3517 or e-mail info@infinity-consult.com.

About Ethica Institute of Islamic Finance Winner of "Best Islamic Finance Qualification" at the Global Islamic Finance Awards, Ethica is chosen by more professionals and students for Islamic finance certification than any other organization in the world. With over 20,000 paying users in 46 countries, the Dubai-based institute serves banks, universities, and professionals across over 100 organizations with its 4-month Certified Islamic Finance Executive™ (CIFE™) program delivered 100% online. The CIFE™ is the only globally recognized certificate accredited by scholars to fully comply with AAOIFI, the world's leading Islamic finance standard. To watch an Ethica training video click here <http://bit.ly/FCWhyIF>.