Role of Muslim Scholars in the Development of Islamic Economic Thought in India in 20th Century

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Abstract

The evolution of Muslim economic thought in India throughout the 20th century stands as a powerful testament to the resilience and ingenuity of Islamic scholars in the face of immense socio-economic and political upheaval. Far from being passive observers, these visionary thinkers responded proactively to the challenges imposed by colonial rule, the decline of traditional Islamic institutions, and the spread of capitalist and socialist ideologies. Their efforts were not only timely but also transformative, as they set out to reconstruct a dynamic and just economic system rooted in timeless Islamic principles—principles that explicitly prohibit riba (usury), gharar (excessive uncertainty), maisir (gambling), and instead champion ethical profit and loss sharing. The foundational framework they established was not merely theoretical; it offered a compelling and practical alternative to Western economic models, rigorously critiqued by prominent figures such as Manazir Ahsan Gilani, Hafizur Rehman Seohwari, Muhammad Hamidullah, Anwar Iqbal Qureshi, Shaikh Mahmud Ahmad, AbulAla Mawdudi, M. N. Siddiqi, Muhammad Uzair, Ausaf Ahmad, F. R. Faridi, Abdul Hasib, M. H. Khatkhatay, Azim Ihsan Islahi, and M. Obaiduallah. Their collective vision led to the creation of vital institutions—interest-free cooperative credit societies, Islamic financial societies, financial associations, and investment companies—that flourished in both northern and southern India. By examining the vital work of these scholars, this paper demonstrates not only their pivotal role in shaping economic discourse, but also the enduring value and viability of Islamic economic thought for modern India and beyond. In addition, the study covers the major intellectual, institutional, and practical developments in Islamic economics in India throughout the 20th century.

Key Words: Islamic Economics, Muslim Scholars, India, Development, Thought.

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1. Introduction

Since the onset of the second half of the 20th century, the world has witnessed a profound transformation from a geo-political paradigm to a dynamic geo-economic framework. During this pivotal era, countless nations—especially those with predominantly Muslim populations—triumphed over Western imperialist domination, reclaiming their sovereignty and paving the way for a brighter, self-determined future. In these newly liberated societies, policymakers, intellectuals, and scholars became torchbearers of progress, passionately revitalizing and reformulating their socio-economic, political, and religious doctrines to address contemporary needs and boldly reverse the decline and stagnation imposed by colonial rule.

Amid these sweeping changes, Muslim scholars embraced a visionary mission: to reevaluate and rejuvenate their political, social, and economic ideologies in accordance with the timeless principles of Sharīʿah and to convincingly demonstrate to the Muslim world that Islam is not only relevant but profoundly compatible with modernity. Rising to the challenges left by colonialism, these scholars worked tirelessly in the latter half of the 20th century, bringing clarity and purpose to the principles of Islamic economics and finance. Their efforts captured the attention and respect of major financial institutions worldwide—across both Muslim-majority and non-Muslim-majority countries—establishing Islamic finance as a safe, ethical, and resilient alternative to conventional systems.

In Muslim-minority nations like India, the trailblazing contributions of Islamic scholars, intellectuals, and economists provided the theoretical bedrock for Islamic finance in the 20th century. This robust intellectual foundation enabled the creation of Islamic financial societies, interest-free cooperative credit societies, financial associations, and Islamic financial investment companies in both northern and southern India. These institutions courageously served those committed to upholding their ethical convictions by refusing to give or take interest. This paper examines the remarkable development of Islamic thought by Muslim scholars in India, with a special emphasis on the inspiring theoretical foundation and lasting framework of Islamic finance established during the 20th century.

2. Research Methodology

This study employs a qualitative research methodology with a dual focus: historical analysis and analytical evaluation. The research work is grounded in a historical approach, examining the evolution of Muslim economic thought in India during the 20th century and an analytical perspective is also applied to assess the contributions and impact of Muslim scholars on this evolution and to trace the historical development of Islamic economic thought in India. This structured methodology enables a comprehensive understanding of how Muslim scholars reframed and developed Islamic economic thought in India during the 20th century.

3. Foundation of Theoretical framework of Islamic Finance in India

The origins of Islamic finance can be traced back to the era of Prophet Muhammad (ﷺ), evolving through several distinct phases, particularly following the post-colonial period when various Muslim nations attained independence from colonial rule. The 20th century presented conducive conditions for the Islamic financial movement, as Muslim scholars, notably from the Indian subcontinent, began to engage with new educational and financial institutions in Europe, such as banks, joint stock markets, and insurance companies, which predominantly operated on interest and Western economic principles. Eminent Islamic scholars, including Manazir Ahsan Gilani,[1] Muhammad Hamidullah,[2]Hafizur Rehman Seohwari,[3] Anwar Iqbal Qureshi,[4] Shaikh Mahmud Ahmad[5] and Abul Ala Mawdudi[6]critiqued the conventional economic philosophy for its materialistic orientation and value neutrality.[7]. These scholars contended that interest, a cornerstone of the conventional economic system, fails to serve the social good and instead functions as a mechanism for exploitation. Such perspectives were also shared by John Maynard Keynes. Mawdudi, in particular, asserted that the prohibition of riba (interest) seeks to supplant the selfish and competitive instincts inherent in capitalism with values of generosity, love, and cooperation.[8]

Prominent Islamic stalwarts, including Abul Ala Mawdudi, Hafizur Rahman Seoharwi, Manazir Ahsan Gilani, and Anwar Iqbal Qureshi, critiqued both capitalism and socialism, advocating for an alternative economic system termed the "Islamic financial system." This system is grounded in the core teachings of Islam, aiming to embody virtues while eschewing the extremes of the other two systems.

It is noteworthy that Muslims historically exhibited reluctance to engage in interest-based transactions, even during the colonial era. This is evidenced by the existence of several interest-free cooperative credit societies that operated during that period.[9]A significant segment of the Muslim population opted out of the interest-based conventional financial system, choosing not to accept interest on their deposits.[10] During this time, Islamic scholars, economists, and experts began to raise awareness among the masses about Islamic economic principles through their writings and speeches, addressing the challenges faced by Muslims at the time. It was during the 20th century that Islam was perceived by dominant European powers as a backward and outdated religion, especially in the context of economic guidance. Many believed there was a fundamental incompatibility between Islam and the modern world. To confront these challenges, visionary Islamic scholars emerged, striving to bring about an intellectual revolution that would lay the groundwork for a modern Islamic period in the Indian subcontinent. To address these challenges, visionary Islamic scholars emerged, striving to initiate an intellectual revolution that would lay the foundation for a modern Islamic era in the Indian subcontinent. They posited that overcoming economic backwardness necessitated the optimistic application of science and technology in agriculture, commerce, and trade—essential components for economic progress. Their efforts paved the way for the revival and development of the Islamic finance movement in India, characterized by distinctive phases.

4. Early Developmental Phase

During the 1920s, scholars produced various articles to advance the Islamic financial movement in India. The central discourse of this period primarily concentrated on the concept of *riba*[11] (usury) and sought to rediscover Islamic values and legacies. Consequently, early writings placed significant emphasis on "riba" and related issues. By the 1930s, the initiatives of scholars from the Indian subcontinent gained further momentum, culminating in the publication of the first comprehensive work on Islamic economics, titled *Islam ka Iqtisadi Nizam* (The Economic System of Islam), authored by Maulana Hafizur Rehman, a graduate of Darul Ulum, Deoband. He was encouraged to write this work by Abdul Kalam Azad[12]. Prior to Maulana Hafizur Rehman's authorship in 1939, students frequently inquired of Azad whether an economic system existed within Islam. To address these inquiries, Azad urged Maulana Hafizur Rehman to explore this subject. [13] The book presented a detailed exposition of the Islamic economic system and critically analyzed Capitalism, Socialism, and Communism.[14]Maulana Hafizur Rehman argued that the Islamic economic system is not exclusive to Muslims but aims for the welfare and socio-economic well-being of all humanity.[15] He argued that the Islamic economic system accepts the virtues of all other economic systems and shuns their shortcomings. Additionally, prominent leader Zakir Husain, who became the President of India in 1967, had written a doctoral thesis on economics and was interested in the Islamic economic system. He included the economic ideas of notable Islamic scholars in his lectures titled *Maashyat: Maqsad aur Minhaj* (Economics: Purpose and Methodology).

In the 1940s, efforts intensified further, leading to the production of several significant works, including *Islami Ma`ashiyat* (Islamic Economics) by Manazir Ahsan Gilani[16], who belonged to the same school of thought. His work highlighted various aspects of Islamic economics with references to the Qurʾān and the Ḥadīth, addressing topics such as labor, capital, factors of production, the concept of wealth, and equal economic rights for both men and women. Due to this work, Syed Salman Nadvi referred to him as the "sultan al-qalam" (king of the pen).[17]

Sir Muhammad Iqbal[18] had a keen interest in the Islamic economic system, as reflected in his poetry and prose. The complexities of the Islamic economic system can be found in several of his poetic couplets, which later formed the foundation of Islamic economics. His first book on economics, titled *Ilm al-Iqtisad*[19] (Science of Economics), was originally an assignment from the Textbook Committee in Punjab.

Anwar Iqbal Qureshi[20], a professional economist, demonstrated a profound interest in the Islamic economic system and authored a seminal work in the English language titled *Islam and the Theory of Interest.* Notably, the foreword of this book was penned by a Hindu economist, Professor Gyan Chand. Qureshi's central argument posits that interest is more harmful than beneficial to society as a whole. He contends that Islam prohibits interest while allowing profit and partnership. If financial institutions were to engage as partners with industry on a profit and loss sharing basis, rather than merely extending loans, there would be no Islamic prohibition against such banks.[21] This statement elucidates that partnership-based financial instruments, known as mushārakah and mudārabah, are more conducive to the Islamic financial system.

Shaikh Mahmud Ahmad, another Islamic economist, produced a notable work on Islamic economics entitled *Economics of Islam: A Comparative Study,* written in English prior to the partition of India. In the preface of this book, it is noted that he received assistance from Abul Kalam Azad and P. N. Dhar, the latter being a professor of economics in Delhi. In his work, Shaikh Mahmud Ahmad asserts that Shirakat banks would provide funds to industry and commerce on a Shirakat basis, thereby sharing profits and losses with debtors rather than transferring risk to industry and commerce through fixed interest rates.[22] The early contributions to the field of Islamic economics and finance predominantly originated from southern India, particularly the Hyderabad state. During this period, Islamic economists made significant advancements, producing numerous publications that addressed various aspects of Islamic finance, including the concepts of money, banking, the fundamentals of the Islamic economic system, insurance, and public finance. Prior to this phase, the subject had largely been explored by scholars known as 'ulama.

Muhammad Hamidullah[23] authored a wide array of esteemed works in multiple languages, including English, Urdu, Arabic, and French, focusing on topics such as Islamic history, science, culture, and civilization. Hamidullah is particularly noted for his translation of the Qurʾān into French. A pupil of Manazir Ahsan Gilani, he developed a keen interest in the Islamic financial system, contributing several articles on Islamic banking and finance in both Urdu and English. He is recognized as one of the early proponents of Islamic economics and is credited with coining the term "Islamic economics" in his paper titled "Islam's Solution to the Basic Economic Problems-the Position of Labor."[24]Hamidullah's scholarly contributions encompassed various facets of the Islamic economic system, including Analyses of the International Financial Crisis, The Political Significance of Zakāh, Islamic Insurance, as well as Budgeting and Taxation during the era of the Holy Prophet (ﷺ) He conducted a comparative analysis between Islamic principles and Communism. He asserted that both Capitalism and Communism have failed to adequately address essential societal challenges, resulting in extremes where moral values are frequently disregarded in favor of materialism, which he identified as a fundamental cause of societal ills.[25]. Moreover, he advocated for a new economic order characterized by moderation and balance, which the Islamic economic framework endeavors to achieve. This framework aims to prevent cutthroat competition and market monopolies, while endorsing economic freedom and private ownership, all the while recognizing the constructive role of government in the economic affairs of society.

Sayed Abul Ala Mawdudi emerged as a significant figure in the advancement of Islamic economics within the Indian subcontinent, exerting a profound influence on the understanding of Islamic finance. Mawdudi fervently promoted the Islamic financial system and authored a plethora of publications, such as Ma'ashiyat e Islam (The Islamic Economics), Sud (Interest), Insan ka Ma`ashi Mas`lah aur uska Islami hall (The Economic Problem of Man and Its Islamic Solution), Islam Aur Jadid Ma'ashi Nazariyat (Islam and Modern Economic Ideologies), and Economic Teachings of the Qurʾān. He offered critiques of both Capitalism and Socialism, contending that Capitalism prioritizes individual interests at the detriment of societal well-being, while Socialism curtails individual freedom. Mawdudi called for an economic system free from exploitative and selfish elements.[26]

Mawdudi provided an extensive representation of the Islamic economic framework in 20th-century in South Asia.[27] His critical examination of modern financial institutions included recommendations for reform. He acknowledged the government's role in wealth redistribution while simultaneously opposing fiscal policies targeting socio-economic disparities within a capitalist context. Additionally, he underscored the integral role of zakāh in promoting an equitable distribution of income within society.[28]

In conclusion, a lineage of Islamic scholars has significantly contributed to the promotion of the Islamic economic system within the Indian subcontinent. This system seeks to advance socio-economic development for all individuals, irrespective of their backgrounds, with the ultimate goal of establishing a society marked by the equitable distribution of wealth. This endeavor aims to facilitate socio-economic justice, economic growth, and overall development. These scholars aspired to create a self-sufficient society, resilient to challenges such as poverty, unemployment, inequality in wealth distribution, inflation, and starvation. They underscored the importance of shared resources and risks as a foundational tenet of the Islamic economic model, thus fostering a harmonious balance between spirituality and materialism. Through their dedicated efforts, the theoretical underpinnings of the Islamic economic system were firmly established in India, laying the groundwork for future economists to further investigate and expand these concepts.

5. Subsequent Developments

In the latter half of the 20th century, the movement for Islamic finance scholarship gained considerable prominence, greatly influenced by the contributions of notable scholars such as M. N. Siddiqi, Muhammad Uzair, Ausaf Ahmad, F. R. Faridi, Abdul Hasib, M. H. Khatkhatay, Azim Ihsan Islahi, and M. Obaiduallah in India. These scholars produced a comprehensive body of literature that addressed various facets of Islamic finance, including interest-free banking, the role of government in market dynamics, public finance, monetary policies, and economic growth. Their research, which was disseminated through numerous books and articles, was subsequently translated into multiple languages—including Urdu, English, Arabic, and French—thus providing valuable insights into an alternative economic paradigm.

M. N. Siddiqi, in particular, made significant contributions to this field through a series of influential works, including *Ghair Soodi Bankaari (1968) (Banking Without Interest), Recent Theories of Profit: A Critical Examination (1971), Muslim Economic Thinking (1981), Economic Enterprise in Islam (1992), Issues in Islamic Banking: Selected Papers (1983), Teaching Economics in Islamic Perspective (1996), Role of State in Islamic Economy (1996), Insurance in an Islamic Economy (1985), Partnership and Profit Sharing in Islamic Law (1985) etc*. He posited that an interest-free economic system could serve as a viable alternative to conventional models by utilizing various financial instruments, such as *mushārakah*[29], *mudāraba,*[30]*murābhaha,*[31]*ijārah*[32], *salam.*[33] These instruments not only provide practical alternatives to interest-based systems but also promote equitable and sustainable growth, benefiting both individuals and society.[34]

Siddiqi also emphasized the potential of Islamic financial instruments to drive economic growth and nurture an entrepreneurial spirit within society, thereby assisting individuals in overcoming cycles of debt. To further this vision, he engaged in discussions with the then Finance Minister of India, Palaniappan Chidambaram, regarding the vast opportunities that Islamic finance could present. He elaborated on the two-tier mudārabah theory and its implications for the relationship between central banks and commercial banks.[35]

Another distinguished contributor, Muhammad Uzair, authored a seminal paper on Islamic banking in 1951 entitled "Interestless Banking: Will It Be a Success?" In this paper, he introduced the concept of mudārabah[36],, which later evolved into the recognized double-tier mudārabah. The primary objective of Uzair's framework was to incorporate two mudārabah transactions within a single structure. Initially, the bank (acting as mudarib) and the depositor (rabb al-māl) would enter into a mudārabah contract, after which the bank would engage in a second mudārabah contract with the borrower (mudārib). In the first contract, the bank would share in the profits, while in the second, the borrower would also share profits. This innovative mechanism facilitates the optimal allocation of funds from depositors to borrowers, thereby enhancing the efficacy of Islamic finance practices.

Ausaf Ahmad[37]Ausaf Ahmad was a distinguished Islamic economist who made significant contributions to the literature on Islamic financial systems. His works have been translated into multiple languages, including French and Italian, reflecting his commitment to advancing the understanding of Islamic finance. Among his notable publications are *Challenges Facing Islamic Banking*, *Towards an Islamic Financial Market*, and *Instruments of Regulation and Control of Islamic Banks by the Central Banks,* among others.

The progress in the field of Islamic finance can also be attributed to the collective efforts of numerous scholars who have contributed to its development. Their dedication has transformed Islamic finance from an aspirational academic concept into a thriving and stable field of study. Today, it is taught at prestigious academic institutions worldwide, including the London School of Economics, Rice University, Durham University, Loughborough University, Harvard University, and the International Islamic University in both Malaysia and Pakistan.

Furthermore, the international potential of Islamic finance is underscored by the numerous annual seminars, conferences, webinars, and workshops held globally, which facilitate ongoing dialogue and collaboration within the field. Several countries, including Pakistan, Malaysia, Indonesia, Saudi Arabia, and India, have launched diploma and degree programs focused on Islamic finance, further highlighting the increasing recognition and integration of this financial system into mainstream education.

6. Growth at the Global Level

In the latter half of the 20th century, Islamic financial institutions began to establish themselves within the global financial framework. The establishment of the Islamic Development Bank[38] in Jeddah in 1960 served as a pivotal moment, operating as a central financial entity dedicated to promoting economic growth in accordance with Sharīʿah principles. This marked a significant transition for the Islamic finance industry, which evolved from a nascent sector to a well-established global system, boasting an impressive annual growth rate of 10-15 percent.[39] This growth has been recognized and accepted by leading global financial entities, including the International Monetary Fund (IMF) and the World Bank.[40]

Today, Islamic finance enjoys acceptance in both Muslim and non-Muslim nations, including countries that previously expressed skepticism about its viability. The industry currently operates in over 75 countries across Europe, North America, and Asia. Notably, in the wake of the global financial crisis of 2008, Islamic finance was regarded as a secure, ethical, and superior alternative.[41] According to the 2021 report from the Islamic Financial Services Board, the cumulative value of the Islamic financial industry increased from USD 2.44 trillion in 2019 to USD 2.70 trillion in 2020.[42] Additionally, the industry comprises three main segments: Islamic banking, capital markets, and takaful (insurance), and it recorded a growth rate of 10.7% during a challenging year marked by the COVID-19 pandemic.

7. Growth of Islamic Financial Institutions in India

Islamic financial institutions are also well-established in India, with reports indicating the presence of over 300 such entities.[43] This reflects a strong commitment from the Indian Muslim community towards Islamic finance. The origins of Islamic financial institutions in India can be traced back to the 1890s with the establishment of an interest-free loan institution in southern India.[44] Prior to this, various forms of Islamic financial activities existed, including bait-ul-Māl, trusts, and financial associations, which primarily served to collect and distribute zakāh and sadaqah. Bait-ul-Māl also occasionally facilitated qard-e-hassan (interest-free loans)[45] to individuals, serving not only the Muslim populace but also historically being utilized by Muslim rulers.

The first official initiative to provide interest-free loans took place in 1920 during the reign of the Aasfia Government in Hyderabad, with the establishment of the Anjuman Imdad-e-Bahmi Qard Bila Sood (Association of Mutual Cooperation for Interest-free Loans). This was followed by the formation of various Islamic financial institutions, including the Patni Co-operative Credit Society Ltd., established in 1938, and the first Muslim fund in Uttar Pradesh in 1941, which later expanded its branches throughout northern India. Notably, the Islamic fund model was developed by Hussain Ahmad Madani,[46]an eminent Islamic scholar and principal of Darul Uloom Deoband, who recognized the potential of an Islamic financial system to alleviate the economic challenges faced by Muslims in India and to promote a departure from interest, which is deemed impermissible in Islam.

Following India's independence, the momentum of Islamic financial institutions grew, particularly in the 1960s, with the establishment of various Islamic welfare societies, predominantly by Jamaat-e-Islami Hind, in different regions of southern India. These institutions adhered to Islamic finance principles and led to the establishment of numerous Islamic financial investment companies, such as Al-Baraka Finance House Limited in Mumbai, Seyad Shariat Finance Limited in Tamil Nadu, and Al-Najib Milli Mutual Benefits Ltd. in Najibabad, among others, emerging in both southern and northern India during the 1980s.

The closing decade of the 20th century witnessed rapid expansion in Islamic financial products and practices across India, resulting in the establishment of many new institutions catering to the diverse financial needs of the population, regardless of caste, creed, religion, region, or gender. For instance, in Kerala, the Alternative Investments and Credit Ltd. (an asset financing company) was founded in 2000, followed by the Al-Khair Cooperative Credit Society Limited in 2002. Furthermore, the Secura India Real Estate Fund, an Islamic venture capital fund, was initiated in Kerala, alongside the successful introduction of the BSE-TASIS50 Sharīʿah Index, a collaborative effort between Taqwaa Advisory Sharīʿah Investment Solutions and the Bombay Stock Exchange. It is estimated that approximately 200 micro-interest-free financial institutions are operating in Kerala alone. These Islamic financial institutions and cooperative societies strive to provide micro interest-free loans and a variety of transparent financial services and products, including hajj accounts, equity deposits, umrah accounts, and zakāh accounts, accessible to all segments of society irrespective of caste, color, creed, region, or religion. The primary objective of these institutions is to foster socio-economic welfare and promote development with justice and equity, offering a comprehensive array of financial services that align with Sharīʿah principles and contribute to economic growth.

8. Conclusion

The discourse on the theoretical foundation of Islamic finance in India can be traced back to the 20th century, primarily through the contributions of prominent scholars such as Abul Ala Mawdudi, Hamidullah, Maulana Hafizur Rehman, Manazir Ahsan Gilani, Anwar Iqbal Qureshi, and Shaikh Mahmud Ahmad. These scholars produced numerous works on Islamic economics and finance, aiming to revive and adapt socio-economic doctrines to contemporary contexts while adhering to Sharīʿah principles. This scholarly groundwork facilitated the emergence of the Islamic finance movement in India. In the latter half of the 20th century, this momentum was further advanced by distinguished economists such as Dr. M. N. Siddiqi, Muhammad Uzair, Dr. Ausaf Ahmad, F. R. Faridi, Abdul Hasib, M. H. Khatkhatay, Azim Ihsan Islahi, M. Obaiduallah, among others. They contributed a substantial body of esteemed works, including books, research papers, pamphlets, and articles, covering various aspects of Islamic finance. Through their efforts, the framework for Islamic finance was established in India. Notably, in 1921, Kerala witnessed its first experiment with interest-free loans, followed by the establishment of the Patni Co-operative Credit Society in 1938. Subsequently, numerous Islamic financial institutions emerged throughout India, including Islamic Investment and Financial Companies (IIFCs), Islamic Cooperative Credit Societies (ICCS), Islamic Financial Societies (IFS), and Financial Associations of Persons (FAPs). Institutions such as Al-Baraka / Al-Barr Finance House Ltd. (ABFHL), Al NajibMilli Mutual Benefits Ltd. (AMMB), SeyadShariat Finance Limited in Tamil Nadu, Bait-un-Nas'r Urban Cooperative Credit Society Ltd., and Parsoli Corporation Ltd., along with various Islamic welfare societies, have been established in both southern and northern regions of India. These institutions play a critical role in protecting communities from the exploitative practices of moneylenders, who often impose exorbitant interest rates on loans. The proliferation of these Islamic financial institutions predominantly occurred in the post-independence era, and they currently provide a comprehensive range of interest-free financial services and welfare initiatives to the entire Indian community, irrespective of caste, color, creed, region, or religion.

NOTES AND REFERENCES:

[1] Manazir Ahsan Gilani was born in 1892A.D. and died in 1956A.Din Nalanda, Bihar. He was an Islamic scholar and reputed author who wrote some notable works which include, *The Last Prophet, The Political Life of Imam Abu Hanifa, IslamiMuashiyaat, Some Common Teachings of Islam and Hinduism* etc.

[2] Muhammad Hamidullah was born in Hyderabad in 1908A.D. and died in 2002A.D.at Jacksonville, United states. He was a scholar of *Ḥadīth* and Islamic Law. He was well versed in 22 languages and wrote number of books like *Introduction to Islam, Islam: A General Picture, The Prophet of Islam: The Prophet of Migration, Emergence of Islam, Islam in Nutshell, Life and Work of the Prophet of Islam* etc.

[3] Hafizur Rahman Seoharwi was born in 1900 A.D. and died in 1962 A.D. He was an Islamic scholar and an activist of the Indian Freedom Movement. For about 25 years he fought against British rule and he was imprisoned for 8 years by British Govt. He acted as 4th general secretary of JamiatUlama-e-Hind and he was also a member of the Indian National Congress.

[4] Anwar Iqbal Qureshi is an Islamic economist and notable author who wrote number of books on Islamic economic and financial system like *Islam and Theories of Interest, Fiscal System of India, Agriculture Credit, State banks for India, The Economic Development of Hyderabad, The Future of Cooperative Movement in India* etc.

[5] Shaikh Mahmud Ahmad is an Islamic economist and notable author. He wrote a number of works on Islamic economic system like, *Towards Interest Free Banking, Economics of Islam: A Comparative Analysis, Man and Money: Towards an Alternative Basis of Credit, Social Justice in Islam* etc.

[6] Abul Aal Mawdudi was a reputed Islamic scholar, activist, journalist, jurist, historian etc. He was born in 1903A.D. and died in 1979A.D.. He was founder of Jammat-e Islami movement. He authored various books which include *Soud*, *Islam-i- Mishaayat*, *Towards Understanding Islam*, *Khilafat* o *Mālukiyat*, *Al-Hijab*, *Al Jihad fil Islam* etc. He also wrote a famous commentary of the Qurān into six volumes titled as " *Tafhim-ul-Qurān*".

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[8] Mawdudi, Abul Ala. *Economic System of Islam*, 4th ed., Khurshid Ahmad (ed.), Islamic Publication, Lahore, 1999, p. 107.

[9] Iqbal, Munawar, and Molyneux, Philip,*Thirty Years of Islamic Banking: History, Performance, and Prospects*, Palgrave Macmillan, New York, 2005, P. 37.

[10] Cf. Ausaf Ahmad, *Evolution of Islamic Banking*, n.p., n.d., pp. 14, 15.

[11] Global Islamic Finance Report (GIFR 2010), p. 232. Http://gifr2010/contents/ch_24.pdf

[12] Abdul Kalam Azad (1888-1958) was a senior leader of Indian National Congress. After independence of India, he became the first education minister of India.

[13] Usmani, Muhammad Shah, Mawlana Hifzur Rehman, *Monthly Zad-e Safer,* August 2001, p.18.

[14] Rahman, Hifzur, *Islam ka Iqtisadi Nizam (Economic System of Islam),* Nadwatul Musannifin, Delhi, 1969, pp. 18, 19, 60.

[15] Ibid., P. 393.

[16] Manazir Ahsan Gilani was a professor and former Dean of the Faculty of Theology at Osmania University Hyderabad.

[17] https://iib.umt.edu.pk/IBFR-Vol.-1.aspx

[18] Sir Muhammad Iqbal (1877-1938A.D.) was Islamic scholar, philosopher, poet etc. His poetry is in Urdu language is deemed as greatest in 20th century.

[19] Tahir, Pervez, Introducing Iqbal the Economist, *The Pakistani Development Review,* 40:4 Part ii (winter 2001), p. 1167.

[20] Anwar Iqbal Qureshi was a professor and head of the Department of Economics at Osmania University Hyderabad.

[21]Qureshi, Anwar Iqbal, *Islam and Theory of Interest, Muhammad* Ashraf, Lahore, 1945, p. 158.

[22]Ahmad, Mahmud, *Economics of Islam: A Comparative Study*, Muhammad Ashraf, Lahore, 1947, p.170.

[23] Muhammad Hamidullah was born in Hyderabad in 1908 and died in 2002. He was a notable scholar of *Fiqh, Muhaddith*, and Islamic law. He authored various reputed works in multi-languages like English, Urdu, Arabic, French, etc., on Islamic History, Islamic science, culture, and civilization, etc. He is generally known for his translation of The *Qurʾān* into the French language. He was a disciple of Manazir Ahsan Gilani.

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[27] Nasr, S. V. R., *Mawdudi and Making of Islamic Revivalism*, Oxford University Press, New York, 1996, P.103.

[28]Mawdudi, AbulAla, *The Economic Problem of Man and Its Islamic Solution,* Islamic Publication Lahore, 1975, p. 16.

[29]*Mushārakah* refers to a joint partnership in which both partners share profit and loss.

[30]*Mudāraba* refers to a business partnership in which one partner runs the business and the second one is acts a sleeping partner and he pays only capital (rabal-maal).

[31]It is an important instrument of Islamic financing, which is called cost-plus financing. It is a special kind of transaction in which both seller and purchaser agrees to the cost and reasonable markup of the commodity.

[32] It means to give something on rent.

[33]It is a special contract in which the purchaser buys the commodity from the seller by paying the full price in advance and receiving the commodity in the future.

[34]Nejatullah, Siddiqi, *Some Aspects of Islamic Economy*, Markazi Maktaba Islami, New Delhi, 1981, p.126.

[35]Nabi, Nasir, *Development of Islamic Economic Thought in Modern Times: A Study of Muhammad Nejatullah Siddiqi*, Ph.D. Thesis, University of Kashmir, 2015, p. 68, 69.

[36]Uzair, Muhammad, *Interest Free Banking,* Royal Book , Karachi, 1978.

[37]Ausaf Ahmad was a notable Islamic economist born in India in 1945A.D. and died in 2022A.D.. He wrote number of works on Islamic financial system which were translated into different languages like French, Italian etc. He was associated with the Islamic Development Bank (Jeddah) as a senior economist for about two decades. He also served at Jamia Millia Islamia University, Delhi and Aligarh Muslim University.

[38]Kettel, B., *The Islamic Banking and Finance Workbook*, John Willey & Sons, United States America, 2011, p. 24.

[39]Askari, Hossein, et al, *New Issues in Islamic Finance and Economic progress and Challenges,* John Wiley & Sons, USA,p. 1.

[40]Iqbal, Munawar and Philip, M. Molyneux, op. cit., p. 38.

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[42]Islamic Financial Service Board Report 2021. Also in https://www.org/press_full..php?id=570&submit=more

[43]Bagsiraj. Mohmmad Ghous Ikhtiyaruddin, op.cit., 2003, p.1.

[44]Raqeeb., H. Abdur, et al., *Islamic Finance in India: Financial Regulation Challenges and possible Solutions*, IGI Global, USA, 2016, p. 264.

[45]Hakim, Sayyed Abdul Hai, *India in the Islamic Period*, Nadwatul Ulma, Lucknow, 1973, pp. 81, 110. Also in M. Ghous Ikhtiyaruddin Bagsiraj, op.cit., p 9.

[46]Hussain Ahmad Madani (1879-1957A.D.) was an Islamic Scholar, who was principal of Darul Uloom Deoband. He was awarded with a civilian award Padma Bushan in 1954A.D.