

## **Islamic Investment Opportunity Wealthcity Halal Sharia Compliant India Fund Stocks Shares Investing**

*Islam is a way of life that includes all aspects of life. In fact earning, saving and investing can become acts of ibadah if done according to the Shariah • What does Islam say on Earning, Saving and Investing • What is Shariah Compliant Investment*

**Aug. 16, 2009** - [PRLog](#) -- Islamic Investment Opportunity “Wealth Creation” an Islamic Perspective

(Earnings - Savings - Investments)

Assalamu Alaikum!!

Until recently all that most of us knew about Stock Market was it is located in some Dalal Street, Mumbai!! But now suddenly everyone's interested in it.

- Why are people investing into stocks?
- What does Islam say on Earning, Saving and Investment?
- What is Shariah Compliant Investment?
- Is Shariah Compliant Investment as lucrative as regular investing?
- How can I invest in a Shariah Compliant Way?

Read on for an enlightening journey towards your financial freedom.....and also know what is the Islamic Investment Opportunity available.

Why should you be investing your money in the first place?

Because your money can create more money for you than you will earn alone by yourself! For eg: Rs.10,000 invested at 20% per annum turns out to be Rs 62,000 in ten years! That's the magic of what financial experts call compounding.

But Rs.10,000 'saved'(kept in a locker, etc) now will remain the same old 10,000 even after 10 years or more. So now you know 'savings' don't grow. Rather its value will further decrease as time goes due to inflation.

What is the Islamic Perspective on earning, saving and investment?

Islam is a way of life that includes all aspects of life, be they individual and social, material and moral, economic and political, legal and cultural, and national and international. In fact earning, saving and investing can become acts of ibadah or worship if done according to the Shariah, in Islam!

“The Shariah is based on wisdom, and on the interests of the people relating to the wordly economy and the Hereafter. It is wholly and solely justice, benevolence, expediency and wisdom. It is sine qua non of well being and success in this world and hereafter.”

Ibn Qayyim (I'lam al-Muwaqqi'in, vol 3. p,1 Maktaba Muniriah, Eygpt).

Earning..

Allah says in the Quran,

"Seek the other world by means of what Allâh has bestowed upon you" (Quran 28:77)

and “Allah has permitted trade and prohibited Riba (Interest)”(Quran 2:245)

Prophet Mohammad s.a.w used to pray

“O Allah, I ask You for guidance, virtuousness and wealth”. (Bukhari) and  
“O Allah, give him a lot of wealth and children. Make him live long and forgive him.” (Bukhari)

Saving..

Allah beautifully illustrates the importance of saving in the Quran. Narrating the life of Prophet Yusuf a.s. who takes charge of Ministry of Finance and successfully plans and implements “saving” the produce from first seven years, and using it later so they are not in shortage in years of drought.

Narrated 'Umar: The Prophet used to sell the dates of the garden of Bani An-Nadir and store for his family so much food as would cover their needs for a whole year (Bukhari)

Investing..

Umar(R.A) used to say: "trade with orphan's wealth lest it be exhausted by (regular payment of) Zakat". Islam clearly encourages savings and investments. Indeed, when Islam imposed Zakah, it required that wealth should be first save (since only if a person Saves will he reach nisaab) and also invest his savings (otherwise it would be exhausted by Zakah over a period of time if kept idle).

The exponential (compounding) growth of even small amount of savings on re-investments, can be gauged from the famous hadith narrated in Sahih Bukhari(Sales and Trade.No.418 Vol 3) in which three persons get stuck inside a cave, when a stone closes the exit of the cave and then each person pray to Allah invoking a Good deed they had done, the last person explains how 3 sa's of millet(of his employee, which he didn't get at that time), re-invested repeatedly grew into a herd of cows for which he needed a shepherd to maintain!!

This is how proper investments grow and it also emphasizes the need to invest even our one single day's earning without it being kept idle.

Islamic Finance is closely related to Islam's vision of economic development, which gives primary importance to the realization of socioeconomic justice and the well-being (falah) of all humans.

Why buy Stocks?

Whereas you can invest in many different ways like Bonds, Bank Deposits, real estate, gold, etc. the Stock Market has consistently outperformed all these sectors in the last 10 years or so. Indeed not even 'big' cash to invest in stocks and to add to if you needed cash for any emergency you can sell and get the cash in a day's time, which is not the case with other assets like Real Estate.

What is the current Scenario in Indian Market?

India is one of the fastest-growing large economies in the world. A population of over 1.3 billion, with our huge human and natural resources, and with costs very low compared to the global average, India represents economic opportunities on a massive scale. The economy has been growing from 7-10% for the past few years. Consequently, the return from the equity market has also been very handsome.

What are Shariah Compliant Investments or Ethical Investments ?

Ethical investment/ Shariah Compliant Investment is investing with a conscience, choosing investment that reflects your values and beliefs. The investments which are in accordance with the Islamic Principles are called Shariah Compliant.

The unethical investment would be those associated with alcohol, tobacco, vulgar entertainment, gambling, casinos, speculation, corruption, gambling, lending/borrowing on interest(Riba), exploitation of the needy, discrimination of human rights, and the list goes on..

Also excluded are companies if any of the following ratios are grossly abnormal:

1. Total debt divided by trailing 12-month average market capitalization
2. The sum of a company's cash and interest-bearing securities divided by trailing 12-month average

market capitalization.

3. Accounts receivables divided by trailing 12-month average market capitalization.

Islamic rulings used in these financial matters, are derived from the Quran, Sunnah, fatawas and guidelines issued by The Islamic Fiqh Academy, Jeddah, Saudi Arabia, and AAOIFI, Bahrain - "Accounting and Auditing Organization for Islamic Financial Institutions" headed by Mufti Muhammed Taqi Usmani.

Is Ethical Investment/Shariah Compliant Investment as lucrative as regular investing?

This is a fairly genuine concern investors have. Yet statistics have shown that stocks which have passed the ethical screening norms perform better in the long run and are least hit in market downturns.

In a way stronger companies which perform better and which have chances of being least hit in downturn are selected making the process of investing easier by separating the pearls from the scum. This method is similar to methods adopted by major stock market advisory firms including Warren Buffet, Benjamin Graham, Peter Lynch etc. For eg. When these screens are applied the companies which clear them are blue chips like Infosys, Bhel, Reliance, Tata, Wipro, Airtel, ONGC, Ranbaxy, L&T, Cipla, Grasim, Maruti, Godrej, Gmr, Ntpc, Sail, Gail, Videocon, Mahindra, Sterlite, etc who have been wealth creators in their own right.

How do I know if a company is ethical/ Shariah Compliant?

Wealth city does the hard work of screening the entire stock markets to give you a list of Shariah compliant stocks. We keep you updated of all the latest news and also recommend after extensive research which company you can invest in.

Islamic Investment Opportunity

View a Presentation on our Company and Products

<http://www.slideshare.net/ajmal.doc/islamic-investments-s...>

Contact us for more details and Islamic Investment Opportunity

WEALTH CITY

27/12 MADDOX STREET, CHOOLAI, CHENNAI-600112, INDIA

www.wealthcity.in                      contact@wealthcity.in

Phone No: +91-44-43329596,              Mobile : +91-9940319452, +91-9843505035

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Wealth City, provides Faith based Financial and Investment solutions to clients, specializing in Shariah / Ethical investments.

We are the first of its kind in Whole of South India to provide Shariah / Ethical Investment Services. We have tied up with Religare, a Ranbaxy Group company to bring the best of Stock Markets, Mutual Funds, Portfolio Management Services, Real Estate Investment, Wealth Management Services, etc all in Ethical / Shariah Compliant Way.

We aim at creating a "Just and Equitable World" and Wealth City is a step towards that goal, whose services will inculcate a culture of savings and investments, ethically and profitably there by creating Wealth and help individuals achieve their long-term financial goals.

We at WealthCity believe in offering reliable, flexible and innovative services while delivering a constant level of client experience through our continuous pursuit of our clients' financial success.

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