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ISLAMIC BANKING, A FUSION OF MORALS AND FINANCE- AN ANALYTICAL STUDY

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ABSTRACT

In the contemporary eon, interest-free banking amenities were foremost presented by the Europeans as they were well cognizant of the fact that their Muslim counter-parts austerely verboten the practice of charging 'Riba' or interest on the lending. Islamic Banking has been an alluring form of banking practice since the early 7th century AD. Nevertheless, in the recent realm, its origin or approaching back to the limelight can be outlined back to the year 1971 when the Mit Ghamr scheme for savings was recognized in Egypt. The concerned research article purposes to deliver a transitory insight into the different instruments in Islamic Banking and also offers niceties regarding how Islamic Banking mechanism works. The concept of credit creation in Islamic Banking has been an area on which it has been persistently disparaged; the article also aims to shed light on the same.

KEYWORDS: *Contemporary, Lending, Riba, Islamic Banking, Credit creation.*

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