

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO.3091

TO BE ANSWERED ON THE 5TH JANUARY 2018/ PAUSHA 15, 1939 (SAKA)

Islamic or Sharia Banking System

3091. SHRI SUMAN BALKA:

SHRI MULLAPPALLY RAMACHANDRAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has plans to introduce Islamic or Sharia banking system to meet the financial needs of the people, if so, the details thereof and if not, the reasons therefor;
- (b) whether the Reserve Bank of India (RBI) has received any proposal for the formation of Islamic Bank; and.
- (c) if so, the details thereof and the action taken by the RBI in this regard?

ANSWER

The Minister of State in the Ministry of Finance
(SHRI SHIV PRATAP SHUKLA)

(a) to (c) : During 2013, Ministry of Finance had requested the Reserve Bank of India (RBI) to give its opinion regarding feasibility of introducing Islamic banking in India. RBI suggested that a few products similar to conventional banking products may be considered for introducing through Islamic window of conventional banks after necessary notification by the Government. Taking into account, opportunities available to access banking and financial services and legal challenges involved in introducing Islamic banking products, it was decided not to pursue the matter.
