



# ABIMS Times

Newsletter of Al-Barkaat Institute of Management Studies, Aligarh

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Quarterly

July, 2011

O you who believe, do not eat up the amounts acquired through Riba (interest), doubled and multiplied. Fear Allah, so that you may be successful (Quran 3:130)

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Date: July 20, 2011

#### MESSAGE

As someone associated with Al-Barkaat Institute of Management Studies (ABIMS) right from its very inception, I can safely vouch for the fact that it stands on the twin pillars of quality education and commitment to society. If one draws on the Product Life Cycle analogy, ABIMS falls into the "growth" phase. And it's not just growth for growth's sake. It's a responsible growth, a growth grounded in excellence and ethics.

I have been a regular follower of ABIMS Times, the quarterly newsletter from the stable of ABIMS and it gives me immense pleasure to mention that it has the impressive imprint of ABIMS all over it. In fact, it has almost become a ritual for me to wait for its next issue with anticipation. Every issue succinctly highlights the activities in ABIMS in that quarter besides featuring lively and thought-provoking write-ups that stimulate the mind. The *Upcoming Events* section acts as an appetizing teaser for the reader!

I would like to take this opportunity to congratulate the Management, Faculty and the students for making available a quality publication like *ABIMS Times* to one and all and wish that it goes on to achieve wider recognition and popularity in the not too distant future.

  
Prof. Ashok Mittal



## Director's Message

I am glad to see 'ABIMS Times' ready for printing for the quarter ending July, 2011. The Editorial team and Faculty contributors deserve for appreciation for this issue because during the quarter despite having practically no co-& extracurricular activities performed in the Campus due to non-availability of students on account of summer break, the quarterly Newsletter is available in our hand. This quarter has been basically of the Examinations, Summer Trainings, Placements, etc. providing usual break to faculty and students from their day to day schedule of regular classes. It has been satisfying for us that all the Examinations were conducted in a very peaceful and cordial manner. The students of 1<sup>st</sup> year did their Summer Training programme in respective organizations with complete devotion and zeal having got appreciated by them for their sincere & responsive approach. It is a celebrating time for the students of this year's pass out batch; their Placement has been satisfactory, some of them are placed with respectable organizations with handsome salary having created a great sense of pride for us. I am sure that in their professional career they are known & recognized not only for their competence, hard work and excellence but also for core values which we have been striving to imbibe in them throughout their stay of two years with us.

As per Academic Calendar of the University (Mahamaya Technical University, Noida) the final year classes will be starting from August 02, 2011 and the 1<sup>st</sup> year classes of new Admissions are scheduled to start from August 17, 2011. The Admissions are in progress. We are marching ahead with a very strong sense of belief that our students from whatever background and strata of society they belong to, they will go from here accompanied by excellent education and great human values. I am sure that during their stay over here, they will respect their teachers and seniors and give value to hard earned money of their parents and honor their aspirations. As ever the ABIMS will remain committed to providing a quality and value based education to all its students.

My best wishes to all its readers and well-wishers.

**Dr. Waseem Ahmad**

**Faraz Ahmad**

## Vision

To be a quality management institution of international repute, the Institute aims to work earnestly to get wide recognition and establish its academic credentials among business leaders, corporate community and academics through its contribution to knowledge, industry and society. To be devoted to holistic education and continuously evolve and develop its teaching methods to attain higher standards of utility and quality education. To encourage creativity and to develop scientific attitude with spiritual foundation.

## Mission

To be a centre of excellence through academic research, industry partnership and consultancy.  
To impart quality management education.  
To offer opportunities for training and development to students for better placement.  
To produce competent management graduates for responsible positions in the industry.  
To produce character and to cultivate human values in students.

## From the Editor

A new session beckons! MBA First year students were busy in their summer internships and the Final year ones with their job interviews.

ABIMS Times meanwhile has been keeping an eye on the various activities to bring to you another invigorating issue.

Your encouragement and support has really strengthened our resolve to go on and on. Devour!

## Campus BUZZ

### Scholarship Test

Each year under the Students' Welfare Scholarship scheme, the Institute provides scholarships to students on the basis of a competitive test. This year three students of MBA First year and two students of Second year have been selected and an amount of ₹ 10,000/- each has been given to them. The test was held on April 23, 2011. The scholarship awardees are Mr. Mohd. Ali Shakeel and Ms. Sania Iqbal of second year and Mr. Arbaaz Khan, Ms. Irshan Zaheer and Ms. Shaista Qamar of first year.

### Workshop on Finance

A one day workshop on "Financial Planning for Young Investors" was conducted in ABIMS on May 6, 2011 by Mr. Akeel-ur-Rehman, a certified financial education trainer of SEBI. Mr. Rehman explained to the MBA first and final year students about the need for systematic financial planning and the intricacies involved therein. Dr. Waseem Ahmad, Director, ABIMS along with the faculty members was present on the occasion.



## Conduct of GBTU (Gautam Buddh Technical University)

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## MTU (Mahamaya Technical University) Examinations

The Institute is successfully conducting UPTU Examinations for the last three years; in the same vein this year also the Institute has conducted GBTU & MTU Examinations of Even Semesters in May-June, 2011, winning accolades from the external observers.

### Iftaar Party

A grand Iftaar Party was hosted by Prof. Syed Muhammad Amin, President, Al-Barkat Educational Society (ABES) on August 10, 2011. The guests together with the ABES family broke their fast amidst the spiritually-charged atmosphere. The Maghrib prayer was offered in congregation thereafter.



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## Release of 5<sup>th</sup> Issue of Al-Barkaat Journal of Finance & Management

The current issue of the journal has articles pertaining to a variety of topics related to corporate finance, stock market, mutual funds, cottage industries, and social and ethical roles of business education. These articles are divided into two categories viz. Research Articles and Contemporary Research Issues. It also carries a Book Review on Selling and Sales Management, a book authored by David Jobber and Geoffrey Lancaster, 7<sup>th</sup> Edition, 2011.

Research article of Vadivalagan and Selvarajan, *A Study of Non-Performing Assets of Indian Bank with reference to Priority Sector Advances* studies the performance of Indian Bank in order to manage and minimize the NPAs in three different categories of Priority Sector Advances.

Panigrahi has studied the pattern of Capital Structures in 300 odd Indian private sector companies and its changing trends over the years in his article *Capital Structure of Indian Corporate: Changing Trends*. Aravanan and Selva Kumari in their article *Investment Styles and Performance of Liquid Mutual Funds in India* have comparatively analyzed the performance of open ended liquid growth fund plans and open ended liquid dividend fund plans. The article authored by Raja, Muthukumaran and Palanichamy entitled *Commodity Derivatives Market in India-Regulations, Policy and Development* explains the workings and dynamics of commodity derivatives markets. Rajasekar in his article *Women Mat Weaving in Pathamodai: Problems and Prospects* tests his hypotheses to analyze the socio-economic and working conditions of women engaged in the cottage industry of Mat Weaving through simple percentage analysis, one way ANOVA and tabulation.

The Contemporary research section carries article by Lakshmi and Vadivalagan who in their article *Reflections of Self Help Groups and Their Mammoth Growth in the State of Tamil Nadu, India* have studied the role of SHGs and their effects on financing and credit position of rural women development. Ahmad in his article *Inclusive Academic Development in Private B-Schools* stresses upon the need to make the business education all-encompassing and practically applicable for different emerging industries and sectors. Khatoun in her article *Efficacy of Ethics Instruction as Part of Business Education* emphasizes upon imparting ethical education through various methods to management students so that they may become ethical leaders of tomorrow.





## Faculty BUZZ

- We are happy to inform that Mr. S. Ahmad Murtaza Alvi has joined ABIMS as Assistant Professor from July 02, 2011.
- A Research Paper entitled "Retailing in India: Future Prospects and Role of Advertising" by Mr. S. A. Atif Salar and Mr. Faran Izhar, Assistant Professors, ABIMS was published in the June issue of **International Journal of Business Economics and Management Research** published by Shri Krishna International Research and Educational Consortium, India.

## Fight against Corruption

Saif Azam, Associate Professor, ABIMS

The term 'freedom struggle' brings two images to our mind — one of the non-violent democratic activism of political leaders who had the whole Indian mass in their support and the other of the tyrannical, oppressive forces of subjugation trying their level best to stop the tide of freedom movement. The burning desire of the Indians to be free had been converted by the leaders very effectively into tangible actions of common good and upliftment. It was the time when the whole nation had a shared vision of self-governance leading to peaceful life with prosperity. Gandhiji was able to bring about this awakening and mobilization among masses through a combination of one-maintaining his personal conduct at high stature and two-a religious moral framework. He designed the message of nationalistic fervor with the clear religious underpinning making it the basis of his movement (Eashwar Allah Tero Naam...). This bonded the Indian masses together for a common purpose. Even the first war of independence had both Hindus and Muslims trying to save their religious culture while fighting for freedom.

Soon after independence the whole nation was advancing with the slogan of nation-building given by the first Prime Minister. The common people looked toward the government, elected by them, to provide good education, proper health care, employment and shelter in the new nation. The state was unable to deliver and by sixties public started losing patience. The exposure of scams, bureaucratic obstacles in growth leading to corruption at executive level and increasing rich-poor divide in the seventies led to many political reform movements. The fall from grace of the political party which was instrumental in gaining independence from the British brought down many immortals. The emergence of new parties created further problems as now the factors of political competition (i.e. vote bank) became caste, religion and region. By nineties the Indian masses had largely lost faith in the political system to provide peace and prosperity. The voting percentages in elections and the life-span of several governments of that period simply reflect this fact. This led to the emergence of non-political non-governmental sector. The space of public services and welfare activities was now being shared by social service organizations known as NGOs. By the turn of this century issues like education, healthcare, disease eradication and relief activities were increasingly being taken up by NGOs.

The problem of corruption which was once an exception has grown to epidemic proportions over the years. It has permeated so deep and so widely into the society that often we find it difficult to make a distinction between a corrupt act and a non-corrupt one. Earlier the apathy of law enforcing agencies and now the collusion with the corrupt has further deteriorated the trust base among common people. It is common to see that



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groups/communities taking law into their hands to punish the corrupt.

The Anna Hazare's war cry against corruption is very understandable under these circumstances. The kind of frenzy this old man from a Maharashtra village has created shows that he has evoked the deep desire of a billion Indians to get rid of corruption. He fasts and stages protests, conducts media dialogue with none other than Prime Minister and UPA President. He has millions staging protests in his support across India and the government finding it difficult to explain itself in the media and parliament. People call him today's Gandhi and Jayaprakash Narain and have high hopes from his campaign against corruption.

The point being grossly missed here is the individual's drive against corruption. Currently it is a group behaviour heavily swayed by the media publicity. The sense of hollow patriotism is clearly evident in these campaigns. The sloganeering and the rhetoric fizzles out the moment one has to pay a bribe to get admission in a dream course of study, dream job or dream house. The temptations are many and the motivation to escape them are largely missing. How to cure this? How to make one accountable for his/her deeds even when nobody is watching. The righteousness is a basic element to develop a corruption-free society and nation. How to make people more righteous? It is a big question with a simple answer.

When Ja'far ibn Abi Talib, cousin of Prophet Muhammad (peace be upon him) was asked to explain himself to Negus, the Abyssinian king, in his court he said, "O King! We were ignorant people and we lived like wild animals. The strong among us lived by preying upon the weak. We obeyed no law and we acknowledged no authority save that of brute force." He further said "Prophet Muhammad (peace be upon him) taught us to tell the truth, and to protect the weak, the poor, the humble, the widows and the orphans. He taught us to show respect to women, and never to slander them. We obeyed him and followed his teachings."

This is what a true religion can do. This is what makes a highway robber into Saint Valmiki, and transforms Ashoka from a brutal ruler to a saint king Ashoka, the great. The power of inner control, a high point of Indian ethos, seems to have been lost over time. This power needs to be rejuvenated. Gandhiji not only guided Indians in the freedom movement but also played a role of a saint who guided Indian masses on how to live life. He invoked religious teachings from all faiths to imbibe values in common folk. Unless the movement against corruption sinks deep down in the psyche and gets connected with the religious ethos of Indian masses it is bound to be a fettered revolution.

## Shariah Supervision in Islamic Banks and Financial Institutions

**S. Ahmad Murtaza Alvi**, Assistant Professor, ABIMS

Shariah Compliance in Islamic Banks and Financial Institutions is very crucial and should be necessarily maintained since it is based on laws laid down by Almighty Allah.

The general public particularly investors and clients, irrespective of faith, look for spotlessness of the operations in these establishments. Islam is clean and pure and things happening in its name must, also, be clean and pure otherwise, the name of this great and noble divine religion will get tarnished and its infallible teachings will be misconstrued.



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Therefore in conformity with its stated principles, Islamic Banking and Financial Institutions have to prove that they fall in line with the Shariah and act ethically in all its dealings.

## **Significance of Shariah Supervision**

The fundamental reason for the emergence of Islamic Banks and Financial Institutions is to provide Shariah alternative to interest based banks and financial institutions. That is why each institution of Islamic Banking and Finance has a Shariah Supervisory Board as an intrinsic part of its organizational structure.

## **What is Shariah Supervision**

Shariah supervision has been defined by various institutions and scholars in different ways. Shariah supervision in essence is to ensure that Islamic Banks and Financial Institutions conduct their business in accordance with Islamic principles, rules and etiquette as guided, advised and instructed by the Shariah Supervisory Boards.

## **Selection of Shariah Supervisors**

To perform the responsible task of supervising business in Islamic Banks and Financial Institutions, a handful of Islamic scholars are selected by these institutions. In some establishment the board of directors handles the selection, and in some, stakeholders do it. The minimum three (03) members are needed to constitute a full Shariah Supervisory Board.

## **Procedure for Decision Making**

There ought to be a clear-cut system adopted by each Shariah Supervisory Board in making decisions and delivering Fatwas (Islamic Edicts). All decisions must be taken in conformity with the Quran and the Sunnah, and the Fiqh Schools of thought have to be taken into consideration for such decisions. Before concluding on anything, the members of Shariah Supervisory Boards must study it in depth. If necessary, experts could be consulted. Libraries today are replete with treatises containing studies of Islamic jurists especially in areas of economy, trade and commerce.

## **Qualifications of Shariah Supervisors**

Generally the following qualifications should be possessed by scholars as suggested by some eminent Ulama.

1. They should be well-versed with Holy Quran and its Sciences.
2. They should have thorough knowledge of Sunnah and its Sciences.
3. They should be proficient in Arabic.
4. They should be conversant with principles of Jurisprudence.
5. They should be familiar with general banking practices.
6. They should be able to act impartially in delivering fatwas (Islamic Rulings) and adjudicating disputes.

## **Conclusion**

Shariah supervision should be meaningful, efficient and effective in its fullest sense. The ulama and especially the younger scholars must arm themselves with necessary knowledge in this sphere. Institutions of Islamic Banking and Finance should operate in line with Shariah with honesty, integrity and complete transparency to their Shariah Supervisory Boards. They must always bear in mind that they are dealing with divine laws and not man-made laws.

## Placement Highlights

The placement activity this year witnessed an enthusiastic response from the recruiters. The following is an indicative list:



Mr. Md. Waseem  
AquaBrim  
(Highest Package in District)



Mr. Mohd. Ali Shakeel  
Berger Paints



Mr. Sanchit Godani  
Parle Products Pvt. Ltd.



Mr. Mohd. Saifullah  
Dalisco



Mr. Babban Ahmad  
Indiamart



Mr. Danish Saleem  
Aastha Consulting



Mr. Faraz Mansoor  
Flipkart



Mr. Sarwar Rauf  
Indiamart



Mr. Eashan Agarwal  
Infosys Limited



Mr. Tanveer Ahmad  
Indiamart



Mr. Arham Shelkh  
Indiamart



Mr. Akhil Varshney  
Infosys Limited



Mr. Yasar Khan  
Bajaj Capital Ltd.



Mr. Subodh Gautam  
Indiamart

## Upcoming Events

Commencement of MBA II Year classes

FDP on 'Excellence in Teaching and Research & Knowledge

Creation' by Prof. Satyajit Majumdar, School of Management and Labour Studies,  
Tata Institute of Social Sciences, Mumbai

Commencement of MBA I year classes

August 2, 2011

August 5-6, 2011

August 17, 2011