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Topic - Shariah Indices as a Portfolio Diversification Strategy : A Comparative Analysis of India and GCC countries (2014 – 2019).

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FINDINGS:

Islamic Finance - The thesis offers a thorough investigation of Islamic finance in the Gulf Cooperation Council (GCC) countries and India, utilizing a combination of broad overviews and detailed analyses to assess current policies and the potential of Islamic finance in these regions. Islamic finance, which is grounded in ethical principles and morality, has emerged as a significant and rapidly expanding sector globally, providing a wide array of products and services. Islamic finance, known for its adherence to Shariah principles and ethical considerations, has quickly become a prominent sector in the global financial industry since its inception. Initially concentrated in Muslim communities, Islamic finance now operates on a worldwide scale, offering a diverse range of products and services that attract investors globally due to its perceived stability and ethical foundation.

Need for Economic Diversification - The GCC countries, driven by their oil revenues, hold a pivotal position in the Islamic finance sector. However, their heavy reliance on oil presents notable challenges, leading to efforts aimed at economic diversification. Acknowledging the necessity to reduce oil dependency and explore alternative revenue streams, the GCC countries view India as an appealing investment destination due to strong political, economic, and historical connections.

Portfolio Diversification potential - The thesis conducts a comprehensive examination of Shariah indices in both the GCC countries and India to identify opportunities for portfolio diversification. Through empirical analysis, it identifies variations in risk and return profiles across different indices, offering valuable insights for investors seeking to diversify their portfolios. Furthermore, the thesis explores market integration between the GCC countries and India, employing econometric techniques to investigate the relationship between Shariah indices. The results indicate enduring connections between specific indices, suggesting potential investment prospects for well-informed investors.

In conclusion, while Islamic finance presents promising opportunities for investors in the GCC countries and India, challenges such as oil dependence and market integration must be addressed. The thesis underscores the significance of ongoing research and sustained commitment to economic diversification for the sustainable growth of the Islamic finance sector in both the regions. Through its comprehensive analysis and insightful discoveries, the thesis contributes to a deeper comprehension of Islamic finance and its implications for the financial landscapes of the GCC countries and India.