

## Evaluating the Economic potential of socially responsible Investment avenues (A case study of Shariah Compliant Stocks)

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### *Abstract*

*The global financial system has under gone a period of dramatic turbulence, which has caused a widespread reassessment of risk in both developed and emerging economies. Growth has slowed down but at the same time, remained steady and at a level which some western economies can only dream of. India's financial sector continuous to be relatively insulated from the global meltdown and that the domestic economy still provides an opportunity for investors looking for sustainable returns in the medium to long term. The Indian economy is amongst the largest emerging market economies. Stock market index is a method of measuring a section of the stock market. The basic purpose of constructing indices is to benchmark it, and enable performance evaluation of various investments such as equity portfolios and mutual funds. Stock indices are classified in many ways, such as Global/World Indices, National Indices, Size segment Indices, Sector etc. As per the shariah stock screening the percentage of compliant stock is very less as compared non compliant but in terms of market capitalization a whopping percentage. This demonstrated through 2011 to 2015 that Islamic investment is not only a viable option in terms availability of Shariah Stocks but if performance as a parameter considered it is observed that in long term has outperformed.*

**Keywords:** Shariah, Index

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