Sahulat: A Journal of Interest free Microfinance
7, Vol. 6, December 2017 and June 2018, No.1
www.sahulatjournal.com

A Critical Review of Mufti Muhammad Taqi Usmani's Paper: "Principles of Shariah Governing Islamic Investment Funds"

M. H. Khatkhatay

Abstract

Mufti Muhammad Taqi Usmani, a world-renowned Scholar on Islamic Finance, is the Chairman of Shariah Board of the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI). AAOIFI, based out of Bahrain, is a standard setting body for accounts, audit, governance and shariah. Mufti Taqi's writings and speeches carry great weight among the public in general and Islamic finance practitioners in particular. Among many of his articles dealing with different issues on Islamic finance, one which is the most popular and famous on rules for Islamic fund management is: Principles of Shariah Governing Islamic Investment Funds. Over the years, this article has been published multiple times and is one of the most quoted articles on Islamic fund management. We requested one of the veterans of Islamic capital market in India, to review this article in the light of ground realities of the capital market operations. The aim is to create a better understanding of the subject matter underlying Islamic rules for investments and fund management. The relevant portions on which the reviewer has commented, are quoted in the footnotes. However, the original paper written by Mufti Taqi Usmani is not being published here as the paper is widely circulated and available online.[1]We have sent a mail to Mufti Taqi sharing this review and asked for his comments/observations, if any. By the time we went to the print we did not receive any reply from him.

Readers are advised to read through the original paper as well for better understanding of the points raised in this review.

With the increasing popularity of Islamic Finance and the consequent demand for traditional scholars to oversee and certify the operations of Islamic financial institutions, Mufti Taqi Usmani, being among the few traditionally educated English speaking Ulema from the subcontinent, has had the opportunity to interact extensively with Islamic Finance practitioners.

[1] http://icmspecialist.com/wp-content/uploads/2014/02/Principles-of-Shariah_funds Mufti-Taqi -Usmani.pdf

Although his paper covers significant issues, it is also limiting in the analysis of those issues. As a result, there are a few aspects that need to be critically analysed to produce an alternate argument to what has been given in the paper. At the same time due to the prominence of Mufti Taqi in Islamic circles, if his views regarding those areas are not contested, it could lead to confusion in the minds of sponsors and customers of Islamic investment funds.

There are a number of concepts and issues of financial business touched upon in the paper which seemed to be based on misinformation or incorrect understanding. There are also certain important aspects of borrowing and investment of funds, which the paper presently does not even mention, without which a paper on this topic cannot be considered complete and comprehensive. There is also an area about which the paper should have been more explicit and detailed, particularly keeping in view the requirements of practitioners from the industry. Finally, there is a serious misrepresentation of the situation and religious obligations of an individual shareholder in the context of his relationship with the company. Let us proceed towards a detailed discussion on the shortcomings of the paper.

1. Conceptual Issues

Essentially, the misconceptions in the paper pertain to various financial/ investment terms and concepts. We give below our arguments followed by numerical examples, in a couple of them, to clarify the situation. It should be realized however that the merit of our position, rests on the argument and the examples merely serve to clarify the situation.

1.1 The Relationship of Interest Earnings, Dividends and Total Income of a Company in the Context of Purification[2]

In financial terms, any kind of income, whether from operations, financing or investment, is of the same nature, i.e. revenue. It is the source from which all

[2] "Subject to these conditions, the purchase and sale of shares is permissible in Shari'ah. a certain proportion of the dividend, which corresponds to the proportion of interest earned by the company, must be given in charity. The contemporary Islamic Funds have termed this process as 'purification'.

the expenses of the company are defrayed. From the remainder (if any), the company pays its corporate tax to the government. The balance then belongs to the shareholders of the company. From this balance, depending on the applicable laws and the future requirements of the company, the company retains a part as reserve and distributes the rest as dividend to the shareholders.

Thus, the income of a company is divided into four parts: Expense, Corporate Tax, Dividend and Reserve. While tax, which is dependent on profits and is an impost on the company, goes to the government; the others belong to the company (shareholders) itself. The Expense and the Corporate Tax are the responsibilities (liabilities) of the company (and therefore of the shareholders), the Dividend goes directly to the shareholders and the Reserve is again used to finance the future operations and growth of the company (for the benefit of the shareholders). Over a period of time these reserves lead to increasing valuation of the shares and/ or higher dividends due to growth in operations of the company. They may even be distributed to the shareholders in the form of bonus shares and in extremely rare cases, even as cash.

Similarly, every rupee of interest earned also gets proportionately divided into the above mentioned four parts and is used either to meet the obligations of the company (belonging to the shareholders) or is distributed. Thus, every part provides benefit to the shareholders in some form. If the shareholder wants to purify his income of the taint of interest, he must donate the entire income earned through interest than merely donating a small percentage of it.

Typically, a company may earn a net margin of 15% on the total income and pay approximately 33.3% tax on the gross profit. Hence for every Rs.100, a company earns a net profit of only Rs.10. In most of the cases a company retains more than half of the net profit and distributes the rest as dividend. Thus, only 3% to 4% of the total revenue earned by a company ends up as dividend in the hands of the shareholders. Correspondingly, the same applies for the interest earned, though the remaining profit is also used for the benefit of the shareholders.

Hence, just by donating, the ‘Ratio of the interest earned: Total income from his dividend’, the shareholder is getting rid of the responsibility of a very minor part of the pro-rata interest earned by the company, on his account. And then, what if the company does not pay any dividend but retains the entire profit to meet the capital expenditure on new projects, or if the company fails to make a profit at all? After all, the purging is to make reparation for the violation committed in earning the tainted interest income, not a penalty for making profits.

Hence, purging has to be based on the total interest earned and not on the dividend received – as Mufti Taqi advocates.

1.2 Treatment of Capital Gains in the Context of Purification[3]

The treatment of capital gains in Mufti Taqi's paper as in the case of dividends, again misses the point completely. What if the share is sold at a loss? Is the shareholder exonerated from the violation of his company earning interest? And again, is the purging a reparation for earning the interest or a kind of tax for earning capital gains? The interest earned is not an outcome of the capital gain, and though conversely (but not inevitably) it (the interest) could, to a minor extent (usually between 0% and 5%), have contributed to the annual profit, it has no bearing at all on the capital gain made in the trading of shares.

Mufti Taqi himself concedes that the assets that may have been created from the interest earnings are likely to be "not only unknown but also negligible". Nonetheless, being unable to clearly realize that capital gain is not related to interest earning at all, he cautions that it is better to purge the capital gains too. And how is the purification of capital gain to be done? According to Mufti Taqi by again using the fallacious method of dividend purification. Please note that not only is this method wrong, but the base to which it is applied - capital gain – is not even remotely connected to the interest earned. A capital gain/loss is the result of purchase and sale of an asset at market prices, at different points of time and is therefore based primarily on various market forces and also on the performance of the company in its line of business; it is not related to the interest earned by a company, the contribution of which to the company's profitability is in any case marginal.

[3] "The Shari'ah scholars have different views about whether the 'purification' is necessary where the profits are made through capital. Some scholars are of the view that even in the case of capital gains, the process of 'purification' is necessary, because the market price of the share may reflect an element of interest included in the assets of the company. The other view is that no purification is required if the share is sold, even if it results in a capital gain. The reason is that no specific amount of the price can be allocated for the interest received by the company and a very small proportion of its assets may have been created by the income of interest. This small proportion is not only unknown, but also ignorable as compared to bulk of the assets of the company. The whole price of the share therefore, may be taken as the price of the halal asset only."
"Although this second view is not without force, yet the first view is more precautious and far from doubts."

A simple example will suffice to demonstrate the patent absurdity of the proposition of purifying interest earned by applying the proposed method to capital gains (as suggested in the paper).

Let us carry forward the example we have given above. Let us assume that 3% of the total income of Rs.100 has been earned by way of interest. While different companies may be capitalized to different extents, generally the mean of the ratio of Total Income: Total Asset generally varies between 0.75 to 1.25 for different companies, depending on the type of company, the industry and the health of the economy, etc. Let us assume that this ratio is 1.0. Assume the company has no debt and (to keep it simple), its receivables are negligible. So, the Net Worth of the company (being equal to the Total Assets), is 100/1.0, or Rs.100.

Let us assume the company has issued 10 shares. So, Book Value per share is Rs.10. Assume that the share was bought at 5 times its Book Value, or Rs.50. As it is quite common for share prices to fluctuate widely, let us say that in 12 months the share price climbed to Rs.65, at which price it was sold off, to make a capital gain of 30% on the purchase. This is a quite common scenario.

Hence,

Total Income (i.e. Revenue) per share	= Rs.10.0
Net Profit per share (@10% of Total Income)	= Re. 1.00
Interest earned per share @ 3% of Total Income	= Re. 0.30
Dividend per share	= Re. 0.35
Purchase Price per share, @ 5 times the Book Value of the share	= Rs.50.0
Capital Gain @ 30% of the Purchase Price	= Rs.15.0
Now the results:	
As above, Interest earned per share @ 5% of Total Income	= Re. 0.30
Interest purification from Dividend@ 3% of 0.35	= Re. 0.0105
Interest purification from Capital Gain @ 3% of 15	= Re. 0.45

Thus, we see that the interest purification from dividend is only a negligible Re. 0.0105 per share as against the interest earned of Re. 0.3; but the interest purification from the Capital Gain is 0.45, i.e. 50% more than the interest earned. One has however to bear in mind that the Capital Gain can as well be higher or lower or even a Capital Loss and accordingly the interest purification from it will fluctuate (from zero - negative purification being an absurdity – to a figure even higher than the interest earned). Obviously, the suggested method for purifying the capital gain is completely erroneous.

1.3 Consideration of Relevant Period for Purification

Any investor in the stock market is aware that the dividend that is paid, is for the previous year (that has already ended) and not for the year during which the dividend is received. Hence quite frequently the dividend is received by a person who had not invested in the share at all during the period for which the dividend is paid. Depending on the regulations in force, usually the dividend for any share is paid out about 3 to 6 months after the close of the year to which it pertains.

As the purification is the responsibility of the person who held the share during the period when the relevant interest was earned (and hence the violation occurred), putting the responsibility of the purification on one who holds the share at the time of declaration of dividend is wrong. Whether a person holds the share or not at the time of dividend declaration, it is his responsibility to find out the (pro-rata) interest earned by the company during the relevant period when he held the share and donate that quantum of the total interest, that is justifiably attributable to his holding of the shares.

While calculating his share of purification, the investor will thus have to consider the period for which he held the share. Thus, if in a particular year 100 shares of a company were held for 4 months by investor A and for 8 months by investor B and the total interest earned per share by the company in that year was Re. 0.3, investor A will need to donate 0.3x100x4/12 or Rs.10 towards purification on those 100 shares and correspondingly investor B, Rs. 20, irrespective of

i. whether either of them was holding the shares when the dividend was declared or not
ii. whether they had already exited the share or not
iii. when they had exited (if they did exit)
iv. whether, if they did exit, they made a capital gain or capital loss

1.4 Valuation of Publicly Traded Shares in the Context of Liquid Assets (Receivables & Cash)[4]

Usually trading liquid assets (cash and receivables) at other than par value is not permitted by Shariah scholars. Prima facie, there is nothing non-compliant or objectionable about liquid assets per se – as is the case with interest-based debt or interest-based investment; it is the presumption that in the process of trading them, in the valuation of these assets, an element of interest could be introduced - a non-compliant situation – which has led the jurists to place certain restrictions (trading only at par) on their valuations. Hence the restriction of not allowing trade of liquid assets at other than par is based on the presumption that their trade at a discount or a premium is due to an automatic implicit inclusion of an interest element in the trade, by skewing the valuation.

The principle of not allowing trade of liquid assets at other than par value may by itself be quite valid when applied to separate liquid assets or a collection of them on a standalone basis; however, its extension to the case of a share of a company needs to be questioned.

As listed equities are freely traded and one cannot monitor and control their price fluctuations in the context of the liquid assets of the concerned companies, the jurists have placed the restriction instead on dealing in the shares themselves, depending on the proportion of their liquid assets to total assets. However, as we have seen, the bar on trading in liquid assets at other than par is not written in stone; it is a derived rule, not a fundamental prescription such as against pork or interest. If trade of a company share, which is mainly backed by liquid assets, does not give rise to an interest transaction, the rule should not hold.

The valuation that an investor puts on the share of a company is not by considering that he will be given the entitlement of a proportionate and

[4] "Some scholars are of the view that the ratio of illiquid assets must be 51% in the least. They argue that ***The majority deserves to be treated as the whole of a thing.***"
"Some other scholars have opined that even if the illiquid asset of a company are 33%, its shares can be treated as negotiable. The third view is that whenever an asset is a combination of liquid and illiquid assets, it can be negotiable irrespective of the proportion of its liquid part. However, this principle is subject to two conditions: Firstly, the illiquid part of the combination must not be in ignorable quantity. It means that it should be in a considerable proportion. Secondly, the price of the combination should be more than the value of the liquid amount contained therein. Therefore, some part of the price must be presumed to be in exchange of the fixed assets of the share. it is difficult to imagine a situation where the price of a share goes lower than its liquid assets".

immediate ownership (possession) of just a bundle of assets (as documented on the balance sheet of the company), and even less as a result of assessing the proportion of liquid assets included in that agglomeration at a discount or a premium. Further, a deviation of an offer for a share from an aggregate of such book values cannot be ascribed to a premium or a discount placed on the liquid assets comprised in this collection of assets, even if those liquid assets comprise the bulk of the total assets.

It is true that the investor's perception of the company's share will be influenced by the state of the company's recent financials, as reflected in its balance sheet – which reflects the valuation of all its assets (including liquid assets) and liabilities. But more than its balance sheet, it is the income and profit statements (and their correlation with the balance sheet) that the investor is likely to be swayed by. This is because the prime consideration of an investor, while purchasing a share, is the immediate profit and growth (in other words long term profit) expectations about the share. It is also influenced by a host of other factors as well, tangible as well as intangible.

And what is it that determines the profit expectations of a company, which actually determine the price at which shares are traded? Is it only the collection of items on its balance sheet? A company is more than just an accounting collection of assets. Its prospects and (therefore its value too) is also a function of such diverse intangible aspects – not reflected on the balance sheet at all – as the ability of the management, key manufacturing, marketing and creative human resources and teams, marketing skills, networking strengths, brands, agency contracts, distribution channels, predominant market shares and marketing muscle, access to protected markets or important and scarce raw materials, long-term procurement contracts, proprietary production processes, patents, software licenses, brands, registrations with and license obtained from regulatory authorities in different national or regional markets, etc.

In fact, in the case of certain companies from the consumer goods, pharmaceutical or IT and services industries, owning products with a dominant market share, just the value of a single brand could account for more than half the value of all its fixed and liquid assets put together. Most of the time this brand value is not even reflected on the company's balance sheet! In today's cyber-age it is normal to come across IT start-ups with a comparatively small base of fixed assets, which have discovered an innovative manner of communication or a process which facilitates computing, due to which they have the potential to rake in huge profits over the next several or more years. As a result, the market is prepared to pay for such companies several times (5 to 10 times, even 100 times) the accounting value of their total assets.

Now, if (as often happens with such companies) the fixed assets of such a company comprise only a minor part of its total assets, is the high valuation being paid, due to the buyer paying a huge premium for its cash or receivables? These liquid assets, of their own, have a very precise, defined value (including any relevant interest-based discounting or compounding) in the market, which can at best be marginally different from the values recorded in the balance sheet. The prices being paid are in anticipation of the escalating revenues and profits that the companies are generating presently and/or are likely to generate in the future.

Then, even when we look at just the assets which are reflected on the balance sheet, we find that their accounting values are mostly the depreciated historical costs and not the true realizable values, which could be very different, particularly in the case of real estate assets. Then, depending on bad/doubtful debts not yet written off, the actual realizable values of the liquid assets could be much lower than the ones stated in the accounts. Hence the proportion of liquid assets to the total assets on realizable basis may be much smaller than on the accounting basis.

Let us now look at the converse case, which Mufti Taqi has highlighted in the context of the ruling of the Hanafischool. Let us say that the market price of a share is lower than the book value of the share (the per share net value of its assets). What is this due to? Is the market discounting the value of the liquid assets of the company? No. The market perhaps has a poor expectation of the profits of the company or the way the management is deploying the company’s resources or managing its business.

One could logically ask how could this be the case when the actual (may be even realizable) value of the company’s assets is higher. This is because the individual shareholder cannot just walk away with his share of the company’s assets. The company is a going concern and the shareholder cannot demand his individual pro- rata share of the company’s assets. He can only realize a value for it by selling it in the market – and the market has a poor opinion of the future of the company. So why should the buyer want to put himself in the position of the current holder - unless the seller is prepared to sell cheap. It is the same logic as that which applies to the real estate having to be sold at throwaway prices (often even below the cost of construction) in a recession.

Now in this scenario where is the question of interest playing any part? It is purely based upon profit expectations and a function of demand and supply.

For all the above reasons it is clear that even if the overwhelming bulk of the assets of a company are comprised of liquid assets and the value of its share price (market price at which it is traded) is much higher (or lower) than the book value of its assets (irrespective of the proportion of liquid assets), it is not generally due to the fact that the valuation of its liquid assets has been skewed due to calculations of interest. Hence the applicability of this rule of proportion of liquid assets to the permission or prohibition of trading of shares on the exchanges needs to be abandoned, or at the least, seriously reviewed.

1.5 Misapprehension of Nature of Borrowings

In his paper, Mufti Taqi mentions "The other aspect of the dealings of such a company is that it sometimes borrows money from financial institutions." It appears that Mufti Taqi is either not aware of the environment in which modern enterprises operate or that he is unconsciously guilty of underplaying the violation by the companies. They do not borrow 'sometimes'; they mostly borrow on an ongoing basis. It is the quantum of their borrowing that may vary – not the regularity or continuity. There are many reasons for this, but it is a fact of corporate life however much we may want it to be otherwise. Hence any ruling has to face this aspect squarely and not sidestep it.

2. Aspects of Borrowings and Investments

While discussing the aspect of liquid assets, Mufti Taqi has mentioned various tolerance limits for acceptability of such liquid assets. Surprisingly however, he has refrained from discussing any upper limits in connection with the interest-based borrowings, interest-based deployments of funds and interest earnings which can be considered acceptable according to him – or are allowed by other Shariah scholars. He has given no inkling about his opinion in this regard.

As discussed in the previous section, there is nothing inherently objectionable about liquid assets. Yet he has treated the limit to be observed in that regard in fair details. On the other hand, as he himself points out, borrowing money on interest is a haram act which is strictly prohibited in Islam. Yet he apparently absolves a shareholder of an offending company of his indirect involvement in such an act by merely requiring him to raise his voice against the haram act in the annual general meeting.

Further, apparently the extent of infringement by the company in this regard is immaterial; Mufti Taqi has not raised this issue of extent of borrowing anywhere in the entire paper. This is indeed a serious omission. Even if it is Mufti Taqi's case that the extent of borrowings is not an issue at all, he cannot be unaware that almost all modern Shariah Boards and Shariah scholars do recommend certain limits in this regard. Hence, one would have expected that he should accordingly have been upfront with his arguments as to why he thinks that such limits are unwarranted and a mere protest (probably once a year in the annual meeting) is sufficient for the shareholder to continue investing in any company in a halal line of business, no matter howsoever large its borrowings are in comparison to its business operations.

Mufti Taqi has also nothing to say about what should be the reaction of the shareholder to the overruling of his objection in the annual meeting (even repeatedly). Presumably he does not think it is necessary for the shareholder after voting with his hand to also vote with his feet and quit from the meeting and the shareholding.

Similarly, in regard to the company earning interest too, Mufti Taqi's panacea is the same – protest in the annual meeting of shareholders - and then sit back and relax. Here of course he also requires the shareholder to purify his pro-rata share of interest income. But the method of purification specified, again shows that it is only a further extension of the inherent tokenism of Mufti Taqi's approach in this respect. As we have shown above, Mufti Taqi's methodology requires the shareholder to give up only a small fraction (probably much under 5%) of his total pro-rata interest income earned. As a result, a shareholder could well end up effectively enjoying the benefits of the interest income earned for him by his company while claiming to have religiously "purified" his income.

Thus, Mufti Taqi's laissez faire approach has done away with any need to limit both borrowings and "impure" interest income (and therefore also interest-based investments) while selecting shares for investment, in contrast to the prevailing consensus in the field of Shariah screening of stocks – without advancing the reasons for his departure from the consensus view.

3. Displacing Responsibility from Investor to the Company[5]

Mufti Taqi begins by averring that investing in a company which is involved in a haram business is not permissible. Hence one has to conclude that Mufti Taqi obviously does not want the investor to act first and regret later; he presumes that the investor will invest with full information and knowledge of the company's activities (including its involvement in interest dealings). He is also strongly of the view that both, borrowing on interest as well as earning interest are strongly prohibited in Islam.

From his stance that it is necessary for the shareholder to protest in the annual meeting, it is also clear that he accepts that the shareholder cannot escape the responsibility for the interest dealings of the company in which he has voluntarily chosen to invest. Thus, Mufti Taqi while tacitly admitting the awareness of the investor about the interest dealings of the company and the prohibited nature of those actions, first allows him to go ahead with the tainted investment and then provides him with a fig leaf in the form of a formal protest in the annual meeting of shareholders, also knowing fully well that it is only likely to be ineffectual.

Hence the sequence above is even worse than that of brazenly committing a sin and then repenting afterwards. It is tantamount to knowingly joining in an objectionable activity with the fore-knowledge that he will subsequently only need to make a formal ineffectual protest against the activity and thereafter without compunction or remorse continue to be a party to the activity while also self-righteously claiming that his formal protest has exonerated him from any blame for his continued association in that illegal activity and that as a result, any blame associated with that activity rests entirely and squarely on others.

It needs to be noted that in this entire line of reasoning for allowing the interest dealings, there is no reliance on the concept of a pervasive non-compliant commercial practice and the difficulties involved in avoiding it. There is no need to fall back on the excuse of extenuating circumstances or paucity of fully

[5] "Now, if a person acquires the shares of such a company with clear intention that he will oppose this incidental transaction also, and will not use that proportion of the dividend for his own benefit, how can it be said that he has approved the transaction of interest and how can that transaction be attributed to him?"
"If the main business of the companies is halal, like automobiles, textile, etc. but they deposit their surplus amounts in an interest-bearing account or borrow money on interest, the shareholder must express his disapproval against such dealings in the annual general meeting of the company."

compliant options. The sophistry allows the investor complete carte blanche to brazenly indulge in interest dealings by voluntarily joining a group involved in such activities, of course with the very important proviso that he needs to periodically lodge a fore-doomed wimpy protest.

4. Points of Clarifications

There are a few points of clarifications which are necessary. There are a couple of statements in the paper which, though acceptable in a general sense, may not necessarily hold in certain circumstances. The statements relate to:

4.1 Proportional Sharing of Profits[6]

While describing the operations of Islamic Investment Funds, Mufti Taqi has written: “If the Fund earns huge profits, the return on their subscriptions will increase to that proportion.” While it is true that generally speaking, the situation described by Mufti Taqi is the one that prevails, it need not necessarily be the case.

A fund could be a Private Equity Fund or a Venture Capital Fund, managed by a fund management company (which may also have an investment stake in the Fund). With conventional funds, the typical structure adopted is the “waterfall”, wherein the investors are first returned their investment and then paid the returns upto the Hurdle Rate; thereafter the Fund Manager gets its return upto the Hurdle Rate, after which the residual profit is shared between the investors and the Fund Manager in varying but pre-determined ratios.

As far as Islamic Funds of this nature are concerned, since there has to be a provision that loss should be shared in proportion to the capital contribution, the repayment of the investment has to be strictly in proportion to the capital only. However thereafter, a “waterfall” type of distribution can be adopted. While such a structure will still be valid from a Shariah point of view (profit-sharing being a matter of negotiation between the investors), obviously, in this structure the sharing of profits may not turn out to be proportionate – particularly

[6] If the Fund earns huge profits, the return on their subscription will increase to that proportion. However, in case the Fund suffers loss, they will have to share it also.

in the eventuality of high profits, when the Fund Manager is likely to get a proportionately higher share.

4.2 Prohibition on Borrowing of Funds

Depending on the terms of the Offer Document of the Fund, a conventional Fund may have a mandate to borrow upto certain limits. It is not clear how Mufti Taqi would view investment in such a Fund. It may prove a challenge to anyone's ingenuity to characterize such a fund as an Islamic Fund. However, going by Mufti Taqi's argument in the case of investment in company shares, perhaps he would permit investment in such a Fund too, subject to the same earlier restrictions. It would be interesting to know what Mufti Taqi would have to say about that.

5. Conclusion

The above critique of Mufti Taqi's paper has been prepared solely with the objective of highlighting various areas regarding which the author thinks Mufti Taqi's views are based on an improper comprehension of the ground realities of finance and investment, and hence need to be revised. The idea is to generate debate on the issues raised, so that the same are properly understood and suitable rulings formulated.