

Book # 4

# Dad's New Car



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Finance Explorer Series



Meezan Bank  
The Premier Islamic Bank



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ISBN: 978-969-9759-29-1  
978-969-9759-30-7 (E-Book)

Publish in Pakistan by IBA CEIF

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In the busy metropolitan city of Islamabad, lived two intelligent & bright young sisters named Asma and Fatima. Asma was 12 years old and Fatima was 10 years old. Their dad, Mr. Hamid, was a hardworking computer engineer who worked at a software house and their mother, Amna was a homemaker.

Mr. Hamid used public transport to commute and now he plans to buy a new car. He wanted to finance it through a bank, but not just any bank, he wished to do it the Islamic way, as he firmly believed that interest-based dealing is unethical and a grave sin.



One sunny afternoon, as they sat under the shade of a big tree in their garden, Asma and Fatima heard their dad talking to his friend about the new car and his financial hardship. Eager to help, they approached their dad with bright smiles and twinkling eyes.

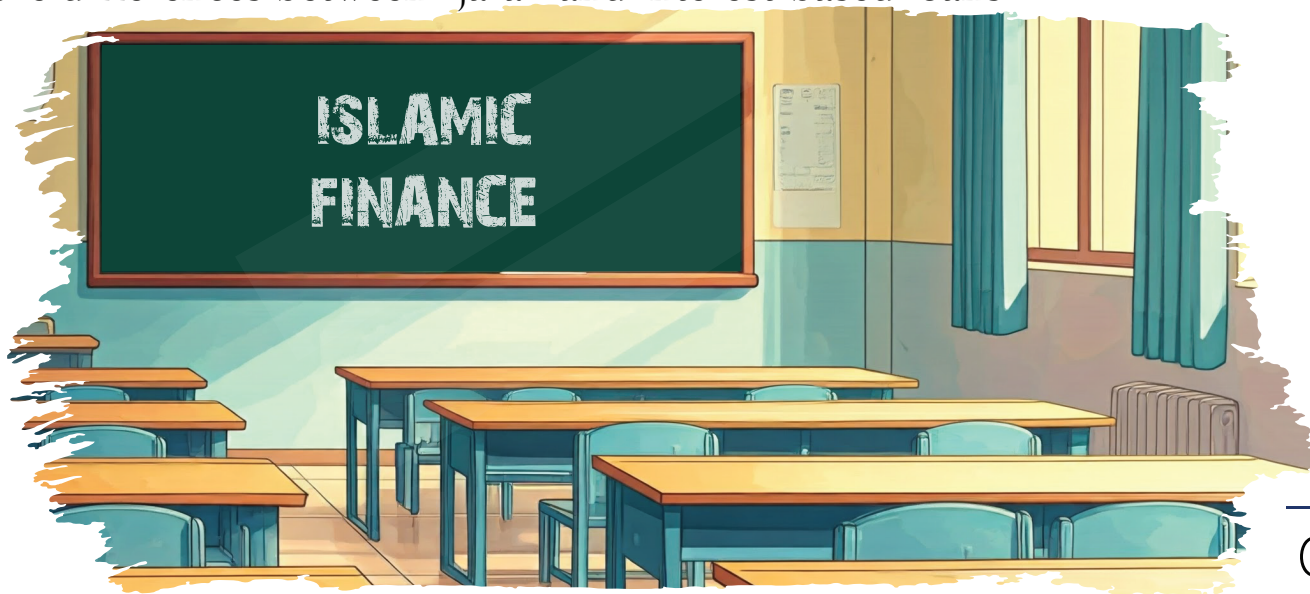
"Dad, we have an idea!"

Asma exclaimed, "Why don't we help you get the car financed under the Islamic mode of Ijarah?" Mr. Hamid was surprised by their suggestion but intrigued. "How do you know about Ijarah, my dear daughters?" he asked.



Fatima proudly replied, "Our Islamic studies teacher, Ms. Sarah, taught us about Ijarah and other ethical financial practices at school. She explained that "it's an interest-free way of financing in Islam. It is just like a rental transaction, and it promotes fairness. The risk of the car is borne by the bank, making it different from an interest-based car loan."

Their dad smiled at their resourcefulness and agreed to hear more about Ijarah. The girls shared what they had learned from Ms. Sarah about the differences between Ijarah and interest-based loans.



"Unlike an interest-based loan, where you borrow money and pay it back with additional interest," Asma explained, "Ijarah operates under lease (rent) agreement. The bank purchases the car from the market and then leases (rent) it to you for a fixed period. During this time, you make regular rental payments, and at the end of the lease, you have the option to buy the car at a fair price or return it to the bank."

Mr. Hamid nodded, impressed by their understanding of the concept. "What makes Ijarah different from conventional loans?" he asked.



"Interest-based loans charge additional money on top of the borrowed amount," Fatima answered. "This is considered impermissible in Islam because it can lead to a cycle of debt and exploitation, and this type of loan is very clearly prohibited in the Quran for Muslims. Ijarah, on the other hand, emphasizes fairness of contract. Bank takes the ownership and risk of the car and thus get entitled to the rental payment. It is very similar to the house we take on rent."

Deeply moved by their knowledge and conviction, Mr. Hamid decided to explore the option of Ijarah. He researched further and found it to be a righteous and fair way of acquiring the car he desired.



With excitement in their hearts, Asma, Fatima, and Mr. Hamid visited the premier Islamic bank in the city, to discuss the Ijarah financing option. They were greeted by a kind bank officer, who then explained the process in detail and guided them throughout.

The girls felt proud of themselves, knowing that they were helping their dad make a righteous choice. They understood the importance of finding ethical solutions to financial matters, which aligned with their faith's teachings.





In the end, Mr. Hamid successfully got the car financed under Ijarah for a 5-year tenure. He signed the car rental agreement with the bank and agreed to pay the rental payment on the 5th of every month. He also thanked his daughters for their wisdom, compassion, and determination to do what was right.

As Mr. Hamid and his family drove the new car from the showroom, they decided to visit the Faisal Masjid to offer the prayers and thank Allah Almighty for the blessings.

From that day on, Asma and Fatima cherished the new car even more, knowing that their efforts had brought it to their family in an ethical and just manner.



They rode around the town with their heads held high, spreading the message of ethical financing and the differences between Ijarah and interest-based loans to everyone they met.

Mr. Hamid continued to pay the rental timely and promptly as he felt it is his ethical duty as a Muslim and as a good human being to follow the terms agreed with the Islamic bank.

And so, the two sisters not only helped their dad get the car he wanted but also thanked their wonderful teacher, Ms. Sarah, for enlightening them about Ijarah and Islamic principles. They became little ambassadors of righteousness, teaching others the beauty of doing things the ethical way.



# Brain Teaser

Solve the following riddles to learn more about Islamic Banking & car Ijarah.

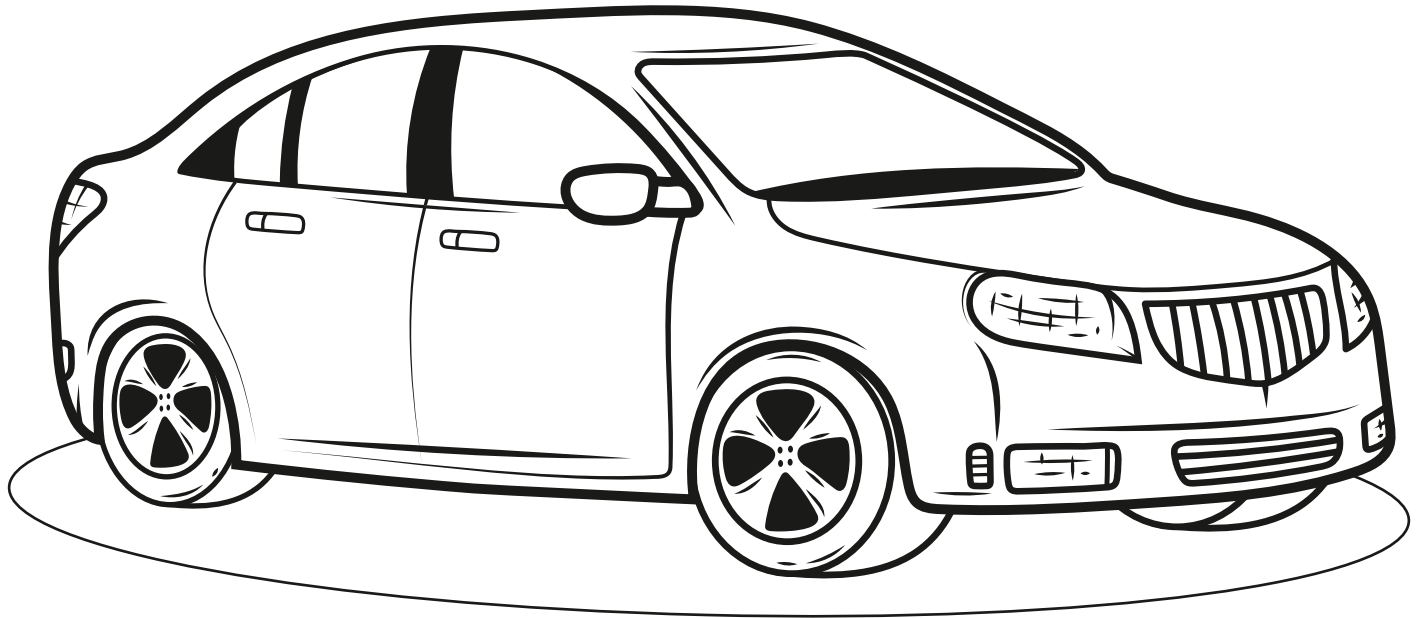
## **Riddles:**

01. I am a way to finance a car without interest, involving rental payments and bank ownership. What am I?
02. I am the older sister who suggested Ijarah to our dad. Who am I?
03. I am the younger sister who learned about Ijarah in school. Who am I?
04. I am the head of the family who works as a computer engineer. Who am I?
05. I am the term used for money paid regularly in return for using something, like a car or house. What am I?
06. I am the belief that paying extra money on loans is unethical and prohibited in Islam. What am I?
07. I am the place where the family went to offer prayers after getting their new car. Where am I?
08. I am the teacher who taught Asma and Fatima about Ijarah. Who am I?
09. I am the new vehicle Mr. Hamid wants to finance. What am I?
10. I am the financial institution that helps finance the car through Ijarah. What am I?

Find answers of riddles in the following grid.

P	R	F	U	M	E	E	Z	A	N	T	R	A	I	N	I	N	G	S
A	O	S	A	I	M	E	M	B	E	R	S	I	C	A	R	I	O	C
S	F	A	I	S	A	L	M	A	S	J	I	D	A	R	I	N	G	D
A	I	R	F	L	O	W	H	A	M	I	D	N	Y	B	A	N	K	M
V	I	P	E	R	W	A	R	F	A	I	R	N	E	S	S	F	R	U
I	N	T	E	R	E	S	I	J	A	R	A	H	O	M	E	L	A	T
A	G	R	I	M	R	M	Z	O	D	A	N	G	E	R	N	O	C	U
B	W	I	N	E	M	A	A	R	D	I	N	N	E	R	C	U	H	A
I	A	M	N	A	E	E	N	D	I	N	G	G	A	M	E	R	I	L
N	F	M	R	T	N	I	P	A	R	T	N	E	R	E	N	T	A	L
T	A	R	N	F	A	T	I	M	A	R	L	A	N	D	U	S	P	E
E	R	A	I	N	E	R	O	S	W	O	R	L	D	S	R	H	O	N
R	E	T	H	I	C	A	L	S	E	N	D	I	N	G	R	E	S	E
E	R	E	I	S	L	A	M	A	C	U	L	T	U	R	E	D	T	F
S	C	O	M	M	U	N	I	R	Y	R	E	M	E	M	B	E	R	I
T	P	P	E	R	T	N	I	A	T	D	E	P	A	R	T	M	N	T
F	I	N	A	N	C	I	A	H	W	E	L	L	B	E	I	N	G	S

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