

Q: (5) Can the amount of loans taken by an industry from the banks be deducted from the value of zakatable assets?

A: The general principle is that all the loans payable can be deducted from the value of zakatable assets when calculating the amount of Zakah.' But in modern conditions, if the amount of the loan is utilized in the construction of a building, or in the purchase of machinery or in the purchase of any other asset exempt from Zakah, like fixture and furniture, the amount of such a loan should not be deducted from the total value of zakatable assets.

Contemporary fatawaa