

Q: (8): 'I am an Indian Muslim Business-man, staying in Saudi Arabia, since 9 years, and a regular reader of Al-Balagh International. May Allah reward you in full, for your service to the Umma. I have few Questions in mind, I would be grateful if you answer them.

1. Can we take loan from Government Banks, Financiers, (in India) for the purpose of doing business, or constructing a house, and we have to pay interest. Heard some Muftees in India have permitted the businessmen to take loan. Is this allowed, in case of Dar-ul-Harb? The permission is given on the basis, that if Muslim takes loan and does big business, he will employ a big number of Muslim staff, and many unemployed Muslims can get job, and it is a matter of sawab. If we don't do it the Non-Muslims are doing it and all big business will be only in the hands of Kafirs. This is practical problem. Could you please comment?

2. If No is the answer to my above question, can you please let us know the way to do big business in India, without taking loan? I think it's impossible, and when I studied this carefully I found more than 95% of Muslim Industrialists, Exporters, and big Trading Groups, do take loan, just to be safe from the Govt. As you cannot declare your white money if you do, you have to pay heavy taxes. So the best way to show the source of income or cash money is loans from Bank, and to pay tax on this money is easy. I am really confused, and this is the main reason, I have never started business in India. Can you please solve this problem? Jazakallah Khair. (H.R. Salamn, Saudi Arabia)

A: According to the overwhelming majority of the Muslim jurists, there is no difference between Darul-Islam and Darul-harb in the prohibition of riba. A transaction of riba is totally prohibited, no matter whether the other party to the transaction is a Muslim or a non-Muslim. Although Imam Abu Hanifah has allowed interest in a non-Muslim country with certain conditions, yet this view has not been approved by the majority of jurists, including a large number of Hanafi jurists themselves.'

In the early days of the Holy Prophe SAW. many Muslims used to enter into riba transactions with non-Muslims, but when riba was prohibited, they stopped this practice totally. The verses of the Holy Qur'an which prohibited riba did not differentiate between a Muslim and non-Muslim. Similarly there is no example in the days of the Sahabah rdi. where any one of the Sahabah entered into a riba transaction with a non-Muslim after the prohibition was enforced.

Therefore, one cannot be advised to take an interest-bearing loan, even in a non-Muslim country. I have heard of some Indian Muslims (in Bombay) who are trying to establish an Islamic bank or a financial institution to be run on the basis of Islamic modes of financing. You should approach them for your financial requirements. They may help you in this respect.

Contemporary fatawaa