

	Estimated Value (Rs.)	Zakat Payable (Rs.)	Remarks
General Liabilities			
Loans taken from Friends / Relatives			Preferably excluding liabilities against assets not subject to Zakat.
Loans Taken from Banks / Institutions			Preferably excluding liabilities against assets not subject to Zakat.
Taxes payable			
Other liabilities payable			Preferably excluding liabilities against assets not subject to Zakat.
Total Liabilities			
Total Zakat / Ushr Payable			
Less: Zakat / Ushr already paid or deducted			
Net Zakat / Ushr Payable			

نئی کتاب..... خوبصورت طباعت..... دیدہ زیب جلد

فضلِ قدیر ترجمہ تفسیر کبیر

از محقق عصر مفتی محمد خان قادری صاحب

ناشر: مرکز تحقیقات اسلامیہ، جامعہ اسلامیہ لاہور

ہر معروف کتب خانہ پر دستیاب ہے۔

	Estimated Value (Rs.)	Zakat Payable (Rs.)	Remarks
Ushr On Agricultural Produce			
Produce Dependent on Rain Water			10% of product (crop) in Value or Kind
Produce totally dependent on Artificial Irrigation like Canal, Tank, Bore well, etc.			5% of Produce (crop) in Value or in Kind
Produce dependent Partially on Rain Water and Partially on Artificial Irrigation			7.5% of the Produce Value or in Kind
Zakat On Animals, Poultry and Fish Farming			
Animals/ Birds more than 6 months Old			1 Animal or Bird per 40 either in kind or value of the same (market value or realizable value). If dairy animals are not in the multiple of 40 or have different ages, consult your respective Shariah scholar for details of complex calculations.

☆ جلب مصلحت کی نسبت مفاسد کو دور کرنا زیادہ بہتر ہے ☆

	Estimated Value (Rs.)	Zakat Payable (Rs.)	Remarks
Zakat on Investment made in Partnership Firms – Alternate Method			This method should be applied only if the details regarding assets subject to Zakat and other assets and the liabilities are not available as of the Zakat assessment date or a date close thereto.
Capital / Loan / Current Balance as per Last balance Sheet			
Capital contributed / loans Advanced by you to the Firm from the date of balance sheet to date			
Less: Withdrawals made by you during the current Year or repayment of loan by the firm			
Accumulated Profit from the date of Balance Sheet to this Date			Estimate the profit amount as it is difficult to get exact figures in the middle of Accounting Yea.
Net Total Worth			

	Estimated Value (Rs.)	Zakat Payable (Rs.)	Remarks
Zakat on Real Estate			
Property held as an Investment / Business (meant for sale in future)			Estimate the current market value or fair value.
Zakat on Business			
Value of Saleable Stock			
Cash Equivalent Value of Trade and Other debts			Exclude advances for purchase of fixed assets and any other assets which are not subject to Zakat e.g. household items mean: for personal or family use.
Less: Liabilities against purchases and services			
Net Value of Assets			
Less: Value of Assets attributable to other partners / shareholders			Calculate on the basis of capital ownership – Make it Nil if the business is wholly owned by you.
Net value of assets subject to Zakat			

	Estimated Value (Rs.)	Zakat Payable (Rs.)	Remarks
Insurance Premiums including bonus up to date and Balance of Takaful Participants Investment Fund			
Value of Shares (stocks), Units of Unit Funds, TFCs, Musharaka Certificates, Modaraba Certificates etc. (Listed – meant for trading)			Take their market value on the date of calculation. If market value is not available, work out fair value of investment. Include Dividends and Profit distribution declared but not yet received.
Value of Shares in Companies (meant for long-term investment)			To be worked out on the basis of break up value of assets of the company subject to Zakat less any applicable liabilities. See "Zakat on Business" below.
Investment in Private Chits, Funds, etc			
Deposits, advances and other receivables			

	Estimated Value (Rs.)	Zakat Payable (Rs.)	Remarks
Cash in Bank in Current Accounts			
Cash held in Fixed Deposits			Include the amount of profit receivable if it has become due.
Zakat on Receivables and Investments			
Loans Receivable from Friends, Relatives and others			Exclude any doubtful amounts on which you want to pay Zakat when these will be actually received and separately the record the amount of Zakat payable for ease of reference in future.
Investment in Government Bonds			
Provident Fund Balance			Exclude the amount of employer's contribution, if you want to pay Zakat thereon when it will be received and separately record the amount of Zakat payable for ease of reference in future. You may not include the balance, if you want to pay Zakat when the amount is receive.

	Estimated Value (Rs.)	Zakat Payable (Rs.)	Remarks
Zakat on Precious Stones			
Net Market Value of Precious Stones either attached with Jewellery or held separately			According to a majority of jurists there is no Zakat on such stones. If you follow them, do not include any amount. Include their realizable value, if these are held for sale and not for personal use or you follow the prudent way to pay Zakat on the same.
Zakat on Silver			
Jewellery			Exclude cost of precious stones etc. if attached – to be dealt separately
Household Silver Utensils and Artifacts			For Utensils, unless specifically known, usually the silver is 90% pure so you should take 90% of the total weight for valuation purpose.
Zakat in Cash in Hand /Bank			
Cash in Hand			
Cash in Bank in Savings Accounts			Include the amount of profit receivable if it has become due.

Zakat and Ushr Self Assessment Form

Following is a "Zakat and Ushr Self Assessment Form" for the benefit of the readers. Similar forms and Zakat calculators are now generally available and the inspiration for development of this form has also been derived from a Zakat calculator, with due acknowledgment, thanks and prayers for the person who devised that. Unfortunately, the name of the person is not available with the author, otherwise, acknowledgement could have been made by name.

ZAKAT AND USHR SELF ASSESSMENT FORM

Mr. / Miss. / Mrs. / Messrs	
Zakat Year (Hijrah Year)	

	Estimated Value (Rs.)	Zakat Payable (Rs.)	Remarks
Zakat on Gold			
24 Carat Gold/Jewellery			Exclude cost of precious stones etc. if attached – to be dealt separately
22 Carat Gold/Jewellery			Exclude cost of precious stones etc. if attached – to be dealt separately
18 Carat Gold/Jewellery			Exclude cost of precious stones etc. if attached – to be dealt separately
Other Gold Valuables			Exclude cost of precious stones etc. if attached – to be dealt separately

☆ من استعجل الشئ قبل اوانه عوقب مجرمانه ☆

should consult a respective scholar or at least a knowledgeable person, in order to ensure that such wording is not harmful for his faith.

Adjustment of Zakat with Interest

An option which is available to those who want to pay their Zakat by themselves is that they may adjust any such Zakat with the interest or mark-up on saving accounts or any other Haram income which is intended to be paid in charity.

By using this option, however, you do not fulfill your Zakat liability by itself and actually you have to pay Zakat additionally. In other words, if you adjust the Zakat deducted by government with any Haram income, then this Zakat should not be considered as paid.

Is Zakat Due on Interest-Bearing Instruments?

This is a crucial question for every conscious Muslim. Investing in interest-bearing instrument is a sin, beyond any doubt. On the contrary any amount receivable from any other party is something liable to Zakat, particularly where the matter of its realization is not questionable. Now coming to another question which is quite similar, assume somebody who has earned some wealth from any illegal and Haram source of income, whether it will be liable to Zakat.

The conclusion that has been derived by the Shariah scholars is that earning Haram by any means is a sin and should not be tolerable in an Islamic society. Any income derived from sources which are not Halal should be paid in charity without any intention of donation, charity or Sadaqat and instead the same should be considered as a mean of getting rid of something not pleasant to be held in someone's own wealth. On the other hand, even this wealth is subject to Zakat if the same is not disposed off. Similarly, any Halal amount invested in Haram transactions, is also subject to Zakat.

accordingly, it is not a liability and instead it represents the Islamic financial institution's share in the jointly owned property which will eventually be purchased by the customer in installments. As a result, such finances should not be considered to be a loan for the purpose of deduction from total wealth. Similarly, Ijara and Ijara Muntahia Bittamleek facilities are also not a liability as these just represent an asset which is leased out to the customer. However, any rental that has already become due or overdue should be considered a liability for this purpose. Any deposits paid under Ijara arrangements should also be considered a receivable from the Islamic financial institution, instead of treating the same as an advance payment of purchase price. Consequently, such deposit should be included in the amount of total wealth which is subject to Zakat. Anyway, any payment against a Murabaha purchase or any other form of trade-based alternates of Islamic finance should be considered as part payment of the price and the asset should be included in the wealth if by its nature it is subject to Zakat. Any remaining liability on this account i.e. gross amount of liability without discounting for profit should be considered as a liability and should be treated accordingly.

Zakat paid to Government

Any Zakat paid into government treasury either directly or through withholding adjustments is considered to be full settlement of Zakat and the same may be considered as an advance payment of Zakat against your final liability on this account. Notwithstanding the general rule, a number of people have doubts on the government's ability (as well as intentions and practices) to utilize Zakat in the correct manner. In such case people either pay Zakat again or submit affidavits that they do not want the government to deduct their Zakat.

It is generally observed that a few people have submitted affidavits without considering their wording. These wordings were basically derived from the affidavits submitted by followers of Fiqh-e-Jafferia, which are not suitable for followers of other Fiqh. In this respect it is advisable that before submitting any such affidavit, one

☆ اعمال الکلام اولی من اہمالہ ☆ کلام پر عمل کرنا اسے بہل چھوڑنے کی نسبت اولی ہے ☆

then Ushr has to be paid as many times on the crop, irrespective of the time.

On crops dependent purely on rain water Ushr, is calculated at the rate of 10% of produce whereby on crops not irrigated through rain water but use river water, canal water, tank water, water from any lake, bore well, tube well and open wells, the Ushr is applicable at the rate of 5% of the produce. For crops dependent partially on Rain Water and partly on other water, the Zakat applicable would be 7.5% of produce.

Zakat on Livestock

On all grazing animals and birds like goats, sheep, camel, cows, broiler chickens the Zakat is payable at the rate of one animal / bird for every 40 animals owned. One may decide to give cash in lieu of the animal / bird itself which should be based on the estimated selling price (not the cost) of the respective animals.

Notwithstanding the general rule as described above, a number of specific rulings are made by jurists in case of various animals particularly where the numbers are not in multiples of 40 and their ages are different which results in difference in value. Owing to this reason, no specific rule can be made in this respect and accordingly, we advise you to consult any respectable scholar who can guide you to the right direction, or refer to books of Fiqh if you would like to have first hand confirmation of the Shariah requirements in this respect.

Zakat on House, Household Items, Vehicles and Necessities

It is Allah Almighty's blessing to the mankind that the basic necessities of life including houses, vehicles, household items and other basic necessities of life have been exempted from Zakat. Such exemption is applicable irrespective of the value of such items and even quantity of such items. As an example, if someone owns more

These legal provisions are not in accordance with the Shariah principles. In case of investment in limited companies the investor has two options. In first option where he wants to sell these shares in near future (particularly where these shares are listed) he should pay Zakat on the current market / fair value of these shares. This value is either their quoted price or a break-up value or a value calculated on any of the pricing models in vogue.

In the second option, whereby he has invested the amount for long-term investment motive or as a partnership or Musharaka venture, Zakat is payable on the break-up value of inventories, receivables and cash balances of the business. Zakat is not payable on fixed assets and intangible assets being utilized in business. Any loans obtained for the purpose of working capital (i.e. not against fixed assets etc.) may be deducted from the total amount of assets before making calculation of break-up value of assets. As discussed in the case of partnerships, an estimated mark-up in the value of inventories should be used.

In both the options, it is allowable to consider the Zakat deducted on dividends and paid in government treasury as an advance payment of Zakat and this amount is not required to be paid again.

Zakat / Ushr on Agricultural Products

Zakat in form of Ushr is payable on all Agricultural produce including fruits, commercially grown flowers, vegetables and all types of grains at the harvest time itself, as well as, on other produce like honey, rubber, grains, oils etc.. According to certain jurists, Ushr is not payable on perishable agricultural products e.g. vegetables etc.. Accordingly, the readers are advised to follow their respective Fiqh by consulting their respective Shariah scholars.

The passing of one year is not necessary for agricultural produce, and instead Ushr is immediately payable at the time of harvest. If there are two or more crops on the same land per year,

be each of the partners. It is always preferred that the business pay the Zakat in order to ensure appropriate computation. Zakat is to be calculated in a similar manner, as of an individual businessman, as discussed earlier.

If the venture is not paying, and the partner wants to calculate his share, he has two options to calculate his wealth in such venture which is subject to Zakat. In the first option he may take the amount standing to his capital, current and loan accounts as of the last available balance sheet. Then the estimated proportionate profit attributable to him should be added for the period between that date and the date of computation of Zakat, and then Zakat should be calculated in this account.

Since the above-mentioned method just provides an estimate and does not adjust for assets and loans that are not adjustable for the purpose of computation of Zakat, this is not the preferred method and should be used only if accurate amounts are not available.

In the second i.e. the preferred method, the net assets subject to Zakat as of the Zakat computation date should be computed and then the amount attributable to the respective partners should be allocated. In case an approximation of market value of inventories is not possible, an estimated mark-up based on gross profit margins may be used to arrive at an estimate value.

Zakat on Shares in Limited Companies

Legally the Zakat on shares of companies is deductible by the companies paying dividend at the rate of 2.5 percent of the paid up amount of shares (at par value). This deduction is made once in each Zakat year (commencing from 1st Ramadan each year. No Zakat is paid during the years whereby no dividend is paid.

that loan is used in purchase of some asset which is not subject to Zakat e.g. for purchase of house, furniture or personal vehicle.

Zakat on Real Estate

Zakat is not payable on personal residential house even if a person owns more than one as far as these are meant for personal or family residential purpose only or any other personal use. Moreover, no Zakat is applicable on properties given on rent. Anyway, Zakat is payable on the rental income when it is piled up for one year.

On the contrary, if one's prime motive for holding properties is to sell these at a future date for a profit, then Zakat is payable on the market value of such properties even if these are lying on rent. Similarly, if your intention of holding properties changes in the current year, i.e. from self use to business motive then you need to pay Zakat on that property' current market value from the year of change of intention.

Zakat on Business

A businessman has to pay Zakat on the inventories (including raw and packing materials, work-in-process and finished goods) and receivables of the business as of the Zakat computation date. Needless to mention, the value of inventories should be computed on the market value. The amounts due to suppliers and creditors against the items on which Zakat is applicable should be deducted from such amount. Value of obsolete inventories should also be calculated on realizable value. In case, it is not possible to calculate the market value of inventories then the same may be calculated on the basis of historical cost plus an estimated profit.

Zakat on Partnerships

Zakat on the assets of a partnership firm, Musharaka, joint venture or Modaraba can be paid either by the venture or individually

Zakat on Provident Fund Balances

Zakat is payable on paid-up portion of Provident Funds (including interest thereon unless you have no intention to use interest and to pay it completely in charity). The rationale behind such principle is that you are the owner of that amount hence you should consider it an amount receivable and pay Zakat thereon like any other receivable.

According to a few jurists who have a dissenting opinion, no Zakat is payable on the employer's portion of provident fund as it is still not at your disposal whereas the amount deducted from an employee's salary is his money deposited with the fund and accordingly, Zakat should be paid on the same. In this respect, few jurists conclude that if it is contingent that such portion will ever be received by you, than you may defer the payment of Zakat and pay the Zakat payable for the whole period once you receive that. There is, however, a less prudent view that it is just like a receivable and no Zakat is payable on receivables till these are received and the employer's contribution become your income when you receive it in cash. So the only Zakat you need to pay is one year's Zakat on employee's cumulative balance.

Similarly, in case of government provident funds, a few respectable scholars have consented that since this is a mandatory deduction and you have no control over the same, no Zakat is payable on the same unless you get it. However, this view is not supported by strong arguments because everybody knows that a provident fund balance is an employee's money held with the fund / government and he enjoys a legitimate legal title on such money. At the least, if such amount is considered contingent, the employee should preferably pay the Zakat payable for all the past years once he receives the money.

Any outstanding loans from provident fund may be deducted from the amount of provident fund on which Zakat is payable even if

keeps on changing as per personal requirements. If it is not possible to calculate the exact amount, the best option is to pay on remaining amount on the day of calculation.

Similarly, Zakat is payable on loans given and amounts of cash receivable against personal as well as business transactions. It should be treated as cash in hand.

It is allowable to deduct any loans payable and liabilities incurred against assets on which Zakat is payable. It needs to be noted that preferably any loans for any other purpose should not be adjusted. As an example, house building loans against personal house should not be adjusted for this purpose because these are obtained against purchase or construction of house whereas the personal houses are exempt from Zakat.

Zakat is also payable with a similar rate on amounts invested in all government securities, bonds, certificates of investment, paid-up Insurance premiums, amounts invested in Takaful investment funds and other forms of receivables. Such Zakat is payable at their cash equivalent value which is generally the market value or the fair value, if no active market exists.

In respect of a doubtful loan, no Zakat is payable immediately with a consensus. In respect of the eventual liability on such account, the jurists' view is a bit divided. A few of them say that no Zakat is payable because you don't have any right on that amount and the same will become your money once you get it. Others have a prudent view, which should be preferable for most of us, according to which even if you don't pay any Zakat on such amount during the period in which it was considered doubtful, you are obliged to pay Zakat for the intervening period whenever you receive the same.

To Whom Zakat May be Paid

The utility of Zakat has been clearly set out in the Holy Quran. Those to whom Zakat may be paid according to Quran include:

- ★ Poor (may or may not be asking for financial help);
- ★ Needy (but not asking);
- ★ Heart-winning (of Non-Muslims);
- ★ Freeing the slaves;
- ★ Travellers (in financial difficulties);
- ★ Trustees of Zakat;
- ★ Insolvent / bankrupt; and
- ★ In the way of Allah SWT.

According to the Islamic jurisprudence, Tamleek (تمليك) is a very important issue. According to most of the jurists it is a must for making the payment of Zakat to make that person owner of that money. It means that Zakat should always be paid in a person's hands making him owner of that money and cannot be used in providing indirect benefits to him. This principle is of particular significance in Hanafi school of thought.

Notwithstanding the above rationale, a few other jurists are of the view that Zakat may be paid in any manner in which Allah Almighty is pleased, irrespective of the concept of Tamleek. Since the objective is not to make a debate on this issue, it would be better for all the readers to consult their respective scholars for the purpose of determination of the correct method in their respective school of thought.

Zakat on Gold

Zakat should be calculated on the value of gold items as of the date of valuation. Most jurists favour the market value prevailing as on the date of calculation and not the purchase price.

such case the rate of Zakat needs to be adjusted for the difference of number of days between both the calendars. Accordingly, such rate is worked out to be slightly higher than the rate applicable for lunar calendar.

Zakat Year

Zakat year is generally different for each and every individual and commences from the very first day (of Hijrah / Lunar Calendar) when he or she becomes a Sahib-e-Nisab and when one Hijrah year passes on such balance still in ownership of the person, Zakat becomes due.

Generally, it is difficult or rather impracticable to calculate the completion of one year on each item of wealth, because purchase dates may vary. Similarly, at times the balances of wealth may increase and decrease on day to day or in some cases, on a minute to minute basis (e.g. gold and stock market rates). To overcome this difficulty, a practical method is to fix a date, generally 1st of Ramadan (رمضان), to compute your total wealth on that date and calculate Zakat, thereon.

Rationale for selecting 1st of Ramadan

1st of Ramadan is selected by most of the individuals as the day of commencement of Zakat year because in Ramadan, the Sawab for every Fard is 70 times more than normal days. That is why most of the scholars advise people to fix it as their Zakat computation day.

Since most of the people fix their Zakat year on this day, generally the governments also fix it as the day of commencement of the Zakat year for the government. Similarly, for mandatory Zakat deductions and payments, 1st of Ramadan is considered to be the assessment date.

Nisab for animals etc. and its rate is defined separately for most types of animals whereby in case of agricultural produce, no Nisab is set for Ushr.

This Nisab is also important for determination of applicability of Qurbani at Eid-ul-Azha (Baqar Eid). However, Qurbani is Wajib (واجب) on every Sahib-e-Nisab irrespective of whether a complete year has passed on ownership of such Nisab or not. Even, if the wealth equivalent to Nisab comes to one's ownership during the Eid days, Qurbani becomes Wajib.

Basic Exemptions

The basic exemptions from Zakat may be described as a matter of principle to be all the items of personal usage except those intended to be sold. Personal furniture, house, vehicles, attire, and other assets are considered exempt from Zakat. Business assets, e.g. shops, showrooms, factories, machinery etc. are also considered to be exempt from Zakat.

A few jurists are of the view that a number of modern days inventions particularly including television, VCR etc. are not a personal need hence should not be considered exempt for the purpose of computation of Zakat. Accordingly, it is better to include all such assets in computation of wealth for the purpose of computation of Zakat.

Rate of Zakat

Except for agricultural produce and livestock, Zakat is payable at the straight rate of one fortieth or 2.5% per annum (lunar year) on one's wealth. It is always preferable that Zakat should be paid based on lunar calendar year.

In order to avoid practical difficulties, a number of jurists have allowed working out Zakat on the basis of Gregorian calendar. In

Zakat

By : Umer Mustafa Ansari

Zakat (زکوٰۃ) is the mandatory monetary Ibadat that is Fard (فرض) on an annual basis on every Sahib-e-Nisab (صاحب نصاب). It is a basic and fundamental step towards development of an Islamic economic system. Like Sadaqat and principles of heritage, it is one of the basic instruments, and perhaps the most important one, that aims for avoiding concentration of wealth in several hands.

Sahib-e-Nisab

Sahib-e-Nisab is the term defining a Muslim person who owns at least sufficient wealth i.e. Nisab, in addition to his basic necessities. In other words, if somebody owns some wealth over and above a minimum exempt limit of wealth, he is Sahib-e-Nisab and accordingly, Zakat becomes due on the wealth that he owns.

Women who have some assets particularly, jewellery are required to pay Zakat by themselves being Sahib-e-Nisab. However, if these ladies do not have enough money in form of cash to pay the same, the family members may pay them some money to pay the applicable Zakat. Otherwise, these ladies should pay Zakat by selling a few of their assets.

Nisab

Different Nisab has been set by the Shariah for different kind of wealth. The basic Nisab is calculated in terms of Gold and Silver. For Gold, Nisab is seven and a half Toulay whereas for silver, it is 52 and a half Toulay. For money and other assets Nisab is calculated for either of these two Nisab, whichever is lower.