

**INDSET MONOGRAPH SERIES  
ON  
ISLAM AND QUR'AN**

**NO : 4**

***ZAKAAT:***

**ISLAMIC SYSTEM OF  
SOCIAL JUSTICE**

**COMMITTEE OF EXPERTS**

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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

## FOREWORD

It is a distressing fact that most of the Muslims lack a proper understanding about the universal relevance of the Qur'anic Message which was revealed to Prophet Muhammad (SAWS) for the guidance of all mankind. There is considerable misapprehension also about Islam and the Message of the Qur'an in the minds of Non-Muslims. The **Indian School of Excellence Trust (INDSET)** is making a humble endeavour through a series of monographs on Islam and Qur'an to project the image of Islam in its proper perspective and to explain the significance of the Qur'anic Message in a scientific and systematic way.

This monograph entitled: **ZAKAAT - ISLAMIC SYSTEM OF SOCIAL JUSTICE** highlights the system Islam has evolved to achieve redistribution of wealth from the rich to the poor. If this system is adopted for application at the global level it can eliminate poverty and hunger and can contribute significantly towards excellence in education in all countries for the underprivileged and the deprived.

It is stressed in this treatise that **ZAKAAT** is one of the pillars of Islam and an obligatory religious responsibility for all Muslims whose savings are above the prescribed limit of exemption. **The non-payment of ZAKAAT is a grave sin.** In order to facilitate the calculation of the **ZAKAAT** dues, a simple format has been provided at the end wherein the methods of calculation are also explained. We do hope that the readers will find it a handy document to facilitate fulfillment of their religious obligation. This monograph recommends centralized system of **ZAKAAT** collection and distribution to make it more effective and purposeful.

We conclude with a prayer to Allah (SWT) to graciously bless our efforts with success (*Aameen*)

وَأَخِرُ دَعْوَاهُمْ أَنِ الْحَمْدُ لِلَّهِ رَبِّ الْعَالَمِينَ

Chancellor  
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Srinagar



**ZAKAAT**  
**ISLAMIC SYSTEM OF**  
**SOCIAL JUSTICE**

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## CHAPTER - I

### GENERAL INFORMATION

#### INTRODUCTION

*Zakaat* is one of the five pillars of Islam, which directly affects the material aspect of an individual's life. Charity as a means of earning personal pleasure and sense of contribution towards the cause of fellow human beings has been propagated in all religions and societies. Islam, however, incorporates it as a means of social justice by making it mandatory. It is accorded the status of a divine duty towards the Creator Himself. *Zakaat* is required to be distributed openly with a full sense of duty and religious responsibility without any desire to earn name and fame so that the purity of the purpose is not lost. In this regard it contrasts sharply with voluntary deeds of charity which are advised to be done quietly. The principles governing the collection and distribution of *Zakaat* are well laid out and quite transparent.

Unfortunately, the Muslim community, while accepting it as an obligatory religious duty, has not maintained the meticulousness and transparency which were observed in the early days of Islam. As a result this divine duty has remained almost obscure from public eye. Consequently an excellent opportunity of displaying the most compassionate face of Islam is lost. It is almost unknown to the world in comparison with the magnificent duty, i.e. *Salaat*. Thus many details about its applicability, methods of calculation and proper way of distribution

have remained relatively obscure and unknown to common Muslims.

This monograph is intended to provide maximum possible information on this important duty i.e., *Zakaat*. However, it is quite possible that individual peculiarities may not find a ready answer. In such cases enquiries may be directed to us or to some known Islamic organisation or to us whichever may be easily accessible for correct and reliable advice. But on no account payment of *Zakaat* should be neglected or avoided. It is a major sin to neglect it and denial of this mandate implies rejection of Faith itself - a very serious matter indeed. Exhortations to establish regular *Salaat* and paying of *Zakaat* are, perhaps, the most oft-repeated mandates in the Holy Qur'an. These have been mentioned together at most places implying that the importance of these two is unique and equal - one purely for Allah (*Huquq Allah*) and the other purely for the benefit of the fellow human beings (*Huquq al'Ibad*). The very purpose of *Zakaat* is to redistribute the wealth (*Zakaat*) from those who have surplus to those who are in need of material support.

It may be borne in mind that following the period of 'Rightly-guided Rulers' (*Khulafa arRashideen*), certain political differences cropped up which, unfortunately, divided the *Ummah* (community of Muslims) into two distinctive blocks i.e., *Sunnis* and *Shias*. Subsequently, even among the *Sunnis* many schools of thought came into being on account of difference of opinions on minor details of Islamic *Fiqh* (Jurisprudence). These were the result of honest and sincere efforts of the later followers of the

*Sunnah* of the Prophet (SAWS<sup>1</sup>) to be as close as possible to the precepts and practices set by him. It reflects the love for the Holy Prophet (SAWS) and keenness of desire on the part of Muslims to emulate his traditions. In view of the rapid and vast expansion of the Islamic Society such a development was perhaps inevitable. As of now, a substantial majority of Muslims consider the *Hanafi*, *Shafa'ee*, *Hanbali* and *Maliki* as the four premier schools of Islamic Fiqh (legal and theological knowledge), as truly representative of Islamic covenants.

***Hanafi***: Propounded by the great *Imam Abu Hanifa Noman bin Thabit* (80 H/699 A.D. - 150 H/ 767 A.D.) He is followed by majority of Muslims in the world, particularly in the Indian Sub-Continent.

***Maliki***: Propounded by *Imam Malik bin Anas* (93H/708 A.D. - 179 H/795 A.D.) He is followed by majority of Muslims in African Continent.

***Shafa'ee***: Propounded by *Imam Shafa'ee Muhammad bin Idris* (150H/767 A.D. - 204 H/820 A.D.) He is followed by majority of Muslims in South-East Asia.

***Hanbali***: Propounded by *Imam Ahmad bin Muhammad bin Hanbal* (167H/780 A.D. - 241 H/855 A.D.) He is followed by majority of Muslims in the Middle East.

It may however be emphasised that **there are no fundamental differences whatsoever** in the rules and regulations framed under these four Schools of thought so far as the basic tenets, beliefs and commandments of Islam

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<sup>1</sup> SAWS stands for '*Sallallahu 'Alaihi wo Sallam*', meaning 'May the Blessings of Allah and Peace be upon him.'

are concerned. The differences, wherever they occur, are on minor details. They can properly be traced to the authentic practices of the Holy Prophet (SAWS). The world of Islam owes it to the monumental efforts of these four great *Imaams* (may Allah (SWT<sup>2</sup>) bless them all), that the true and multifaceted dimensions of Islamic procedures and practices have come to be adequately preserved. These differences have also proved that the spirit and purity of purpose are more important and vital than mere ritualistic adherence to the letter of the law. We must be ever grateful to the four Imams that by their hard work executed with utmost sincerity and honesty they have left for us a treasure of knowledge to draw upon. An overwhelming majority of the Muslim *Ummah* holds these schools of *Fiqh* equally right and based on truth. Hence any one can follow the rules and laws laid down by any of the schools of *Fiqh* to suit individual temperament and preference without any fear of transgression or deviation from the right path.

#### **PRINCIPLES AND OBJECTIVES**

Human civilization right from its inception has been marked for the inequality of development and absence of uniformity among the peoples, regions and countries of the world. Some are economically more prosperous and politically more powerful than others. There are pronounced differences as well based on racial and ethnic factors. This seems to be a part of the divine design as well:

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<sup>2</sup> SWT stand for '*Subhanuhu wo Ta'la*', meaning 'Pure and Exalted'

*“Allah has bestowed His gifts of sustenance more freely on some of you than others.”* (an-Nahl; 16:71)

By creating these situations of inequality Allah (SWT) would like to test the strength of Faith and nature of deeds - good or bad - performed by individuals or groups of individuals. On the Day of Reckoning each and every deed of all individuals will be accounted for:

*“On that Day will men proceed in groups sorted out, to be shown the Deeds that they (had done). Then shall anyone who has done an atom’s weight of good, see it! And anyone who has done an atom’s weight of evil, shall see it.”* (al-Zilzal; 99:6-8)

It has been normally observed that affluence, status, power, wealth etc., tend to make a person proud and feel superior to others. Similarly those who are not bestowed with these things develop an acute sense of deprivation and sometimes tend to adopt a very cynical attitude. It is part of the divine scheme of Allah (SWT), to test each and every person by juxtaposing one beside the other with all kinds of differences in order to distinguish between the believers and the transgressors. In the crucible of this test the righteous and God fearing people who have complete faith in Allah (SWT), even under the most trying circumstances and who remained steadfast, grateful and obedient to Him, can be easily identified and separated from those who have either no faith or are faltering in their belief.

Of all the trials in this world the trial of wealth or lack of it is the most severe one. Affluence or poverty can put people off balance and lead them astray. In the words of the Holy Qur’an:

*"Ye shall certainly be tried and tested in your possessions and in your personal selves;"* (Al-e Imran; 3:186)

It is a well-known fact that almost everything concerning status and worldly pleasures may be acquired by wealth. It commands a lot of influence and, hence, becomes a symbol of status. Those who are poor and indigent command any influence in the society. That is why a person tries to possess as much material wealth as possible in order to exercise influence and enjoy the comforts of life. In the words of the Holy Qur'an:

*"Who piles up wealth and lays it by, thinking that his wealth would make him last forever!"* (al-Humaza; 104:2-3)

In reality, wealth is only a gift from Allah (SWT) which is bestowed in accordance with a divine scheme. Thus the wealth acquired by individuals/families is not to be extravagantly spent on luxuries and sensual pleasures. The necessities of the poor and needy should also be taken care of in accordance with the divine directions. The Holy Qur'an says:

*"To Him belong the keys of the heavens and the earth: He enlarges and restricts the sustenance to which He will: for He knows full well all things."* (ash-Shura; 42:12)

*"And in their wealth there is a due share for the beggar and the deprived."* (adh-Dhariyat; 51:19)

This is the divine way of promoting social justice which in turn promotes peace and harmony amongst people of different standards of living. Though charity is considered desirable in all societies of the world, religious

or otherwise, the system of *Zakaat* in Islam is firmly institutionalised and is unique in promoting social justice.

*Zakaat* is considered as one of the five pillars of Islam. It has been placed almost on par with *Salaat* in importance as a form of worship to Allah (SWT). At almost all places the giving of *Zakaat* has been clubbed with the establishment of regular *Salaat* (Prayer) in both the Qur'an and Traditions of the Prophet (SAWS). The Holy Qur'an points out:

***“Those who believe and do deeds of righteousness and establish regular prayers and give Zakaat, will have their reward with their Lord: On them shall be no fear, nor shall they grieve.”*** (al-Baqarah; 2:277)

By making it mandatory and linking it with reward in the Hereafter, Islam has achieved the twin objectives of (1) imparting social justice to the deprived and (2) a means of salvation and success to the soul of the faithful in the Hereafter. The ready and willing compliance by the devoted Muslims renders useless the enforcing machinery, often conspicuously needed for any tax collection.

Literally *Zakaat* means purification of soul and increase of wealth. In *Shari'ya* (Islamic law) the annual payment of a specified portion of one's surplus wealth, agricultural produce, stock-in-trade, and cattle etc., is called *Zakaat*. It is also called *Ushr* in the case of agricultural income, meaning one tenth in Arabic numerals. The highest rate of *Zakaat* on agricultural produce is 10% of the produce, hence it is termed, *Ushr*.

The basic objective of *Zakaat* is the redistribution of surplus wealth from the rich to the poor. The *Zakaat* Fund

is utilised to extend material help to such Muslims who are not bestowed with adequate means to fulfil their necessities of life. Its other objective is to purify the soul and wealth of those who offer *Zakaat* and help them in their quest for salvation and success in the Hereafter. It inspires a genuine feeling of compassion, care and concern among the "Haves" for the "Have Nots".

### MANDATE

*Zakaat* is considered as a form of worship, which is expressed through the distribution of material wealth. Although *Zakaat* has been mentioned with *Salaat* at almost all places in the Holy Qur'an even then they differ in their nature and character. While everyone can spare time and perform *Salaat* (prayers), which is a physical form of worship, *Zakaat* cannot be given by all, unless one is in possession of the specified amount of surplus wealth. Therefore, *Salaat* is mandatory on all Muslims whereas *Zakaat* is mandatory on those Muslims who have surplus wealth exceeding a specified limit. Such rich persons are designated as '*Sahib-e-Nisaab*'. These are the lucky ones who possess sufficient wealth to perform this pious duty towards Allah (SWT), and earn His pleasure by helping those who are not so lucky. The offering of *Zakaat* pleases Allah (SWT) immensely. It leads to self-purification of persons who pay *Zakaat* and receive manifold rewards from Allah (SWT) both in this world and in the Hereafter as is highlighted in the following verses:

*"...to spend of your substance, out of love for Him, for your kith, for orphans, for the needy, for the wayfarer, for those who ask, and for the ransom of slaves ..."* (al-Baqarah; 2:177)

*“The parable of those who spend their wealth in the way of Allah is that of a grain of corn: it grows seven ears, and each ear hath a hundred grains. Allah gives manifold increase to whomsoever He pleases. And Allah cares for all and He knows all things.”* (al-Baqarah; 2:261)

*“Of their wealth take alms, that so you might purify and sanctify them; and pray on their behalf..”* (at-Tawbah; 9:103)

*“Those who spend their wealth for increase in self-purification.”* (al-Lail; 92:18)

*“And they have been commanded no more than this: to worship Allah, offering Him sincere devotion, being True (in faith); to establish regular Prayer; and to give Zakaat; and that is the Religion Right and Straight.”* (al-Bayyina; 98:5)

While payment of *Zakaat* is mandatory the officials appointed to collect *Zakaat* are advised to exercise moderation in its collection. Ma'az bin Jabal (RA<sup>3</sup>) a companion of the Prophet (SAWS) was appointed as *Qazi* (judge) of Yemen. While Ma'az was proceeding to take charge of the post, the Prophet (SAWS) tendered the following advice as regards the collection of *Zakaat*:

*“You are going to the people of the book. First of all invite them to accept the Truth and be witness that there is no god except Allah (SWT) and Muhammad (SAWS) is the Messenger of Allah (SWT). If they accept*

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<sup>3</sup> RA stands for *‘Razi-Allahu ‘Unhu/’Unha/’Unhuma/’Unhum’*, meaning ‘My Allah be Pleased with Him/Her/Them/Thwain’.

*this from you, then tell them that Allah (SWT) has ordered to collect Zakaat from the rich and distribute it among the poor. If they accept it, then refrain from taking only the best out of their assets (but accept average quality and do not commit excesses and cruelty upon anyone in this regard), and beware of the curse of a wronged person, because there is no obstacle between him and Allah (SWT) (it reaches straight to Allah (SWT) and it gets accepted)."* (Bukhari & Muslim)

Thus, it is very clear that *Zakaat* is as important a form of worship as *Salaat* and a mandatory religious duty prescribed in the Qur'an and practiced by the Prophet (SAWS) on Muslims eligible to pay *Zakaat*. It is also clear from the above sayings of the Prophet that if *Zakaat* is offered in kind then goods of average quality should be accepted. The collectors of *Zakaat* should refrain from excesses and committing acts of cruelty.

#### WARNING TO DEFAULTERS

There are very serious warnings to the defaulters of *Zakaat*, both in the Holy Qur'an and *Ahadith* of Rasool Allah (SAWS) (sayings of the Holy Prophet). The Holy Qur'an says:

*"...and there are those who hoard gold and silver and spend it not in the way of Allah: announce unto them a most grievous chastisement. On the Day when it will be heated in the fire of Hell and with it will be branded their foreheads, their flanks, and their backs, 'This is the (treasure) which you hoarded for yourselves. Taste ye, then, the (treasures) ye hoarded'"* (at-Tawbah; 9:34, 35)

The warning pronounced by the Holy Prophet (SAWS) is even more terrifying. He said:

*“He to whom Allah (SWT) has given wealth, and who pays not its Zakaat, his wealth shall be made, on the Day of Resurrection, into a bald headed serpent having two fangs: it shall be put upon him as a collar, then it will seize his two projecting parts of the lower jaw and say, ‘I am thy wealth, I am thy treasure’ ”*  
(Bukhari & Muslim)

These two quotations should give a fairly good idea of the severity of punishment awaiting those who defy the mandate of *Zakaat*.

#### **APPLICABILITY OF THE MANDATE**

*Zakaat* is applicable to those Muslims who fulfil the twin conditions of **quantity** and **period of possession** in respect of specified category of assets. These are called *NISAB* (qualifying quantity) and *HAOLAN-E HAOL* (specified period).

#### ***NISAB* (Qualifying Quantity/Amount)**

In the following paragraphs the minimum quantity of specified assets below which *Zakaat* is not applicable to a person has been explained. The *Nisaab* (Qualifying quantity) is normally expressed in terms of **quantities** of two metals, i.e., **gold** and **silver** and **not** in terms of value in any currency. For the sake of convenience, the prescribed quantities of specified quality of gold or silver are to be worked out at prevailing prices to determine the minimum amount which attracts the provisions of *Zakaat*.

However, *Nisaab* for agricultural produce and domestic cattle (not for sale) is different, which is dealt separately.

#### **HAOLAN-E HAOL (Specified Period)**

It refers to a clear period of ONE year (Lunar calendar). The possessing of wealth for a period less than a lunar year does not attract the provisions of *Zakaat*. This condition is not applicable in the case of agricultural produce where it is due immediately after each harvest.

#### **ZAKAAT OF A DEBTOR (Person Having Liabilities).**

*Zakaat* is applicable to a person in debt (having liability), provided the value of assets, after deducting the debts, and fulfils the conditions specified above, but not otherwise.

#### **ZAKAAT OF A CREDITOR (Person Who Has Lent Money)**

*Zakaat* is applicable on loans and advances given to others, in any form for any duration and to anyone, provided the value of assets held, including such loans and advances, fulfils the specified conditions. Such loans and advances have been categorised differently by different Schools of *Fiqh*:

**Hanafi School:** Loans and advances are categorised as follows:

- **Most Reliable (Qavi):** In this case the debtor accepts and acknowledges the amount of loan received, even though he may not be in a position to return it on demand. *Zakaat* shall be applicable for all previous years from the date loan was given,

provided an amount equal to or more than at least one fifth of the *Nisaab* is received back, not otherwise. The condition of *Haolan-e Haol* shall be applicable from the date the lender fulfils condition of the *Nisaab*, and **not** from the date of lending or return of loan.

- **Reliable (*Mutawassit*):** This is the amount advanced for the purchase of such articles which do not attract *Zakaat* (residential buildings, clothes, utensils, transport vehicles etc.). In this case, subject to other conditions, *Zakaat* shall be applicable from the date the loan was given, only on receipt of an amount equal to or more than the *Nisaab*.
- **Weak (*Dhaeef*):** These are the dues which are not of any substance e.g., *Maher* money of a married woman which is not yet received by her, or its receipt by ex-husband upon *Khula'* i.e., separation. In this case *Zakaat* shall not be applicable until an amount equal to or more than *Nisaab* is received and a lunar year has passed from the date of receipt.

***Shafa'ee and Hanbali Schools*** : Classification of loans and advances is made as follows:

- **Proved (*Thabit*):** Proved loans and advances are those which have been acknowledged and accepted by the debtor. This is the same as 'Most Reliable' under *Hanafi* School. *Zakaat* will be paid every year without waiting for refund of loan, subject to the condition of the *Nisaab* and *Haolan-e-Haol*. *Hanbali* School, however, holds that *Zakaat* due and payable shall be calculated from the date

the loan was given only after actual return of the loan amount.

- **Un-proved (Ghair-Thabit):** If the amount of loan is neither acknowledged nor accepted by the debtor, *Zakaat* is not due on such loans and advances till the amount is actually returned and a period of one lunar year has passed thereafter. *Zakaat* shall be paid if other conditions are fulfilled. If the loan was in the form of cattle or food articles, ***Zakaat* is exempt** according to *Shafa'ee* School, whereas shall be **payable** according to the *Hanbali* School.

**Maliki School:** There is no classification of loans and advances according to this school. However, subject to other conditions, *Zakaat* shall be paid for **one previous year** on the date of actual recovery of loan amount, provided, the person concerned has not been delaying the recovery deliberately with the intention of avoiding payment of *Zakaat*. In the case of wealth acquired by inheritance, receipt of *Maher* money etc., *Zakaat* shall be paid after a lapse of one year from the date of acquisition or receipt.

#### **MAHAR MONEY**

*Maher* money is the amount which a bride-groom is required to offer to the bride at the time of marriage. This can either be given at the time of marriage itself or deferred to a later date by mutual consent. Both are acceptable in Muslim law. So long as the *Maher* money is not given, it remains as a loan payable by husband and

receivable by his wife. In the context of *Zakaat*, there are different opinions as to its applicability.

***Hanafi and Maliki Schools:*** It is considered a weak loan which is payable by the husband. Therefore, it does not attract any *Zakaat* from the wife, till she actually receives an amount equal to or more than the *Nisaab*. *Zakaat* shall become due if conditions of the *Nisaab* and *Haolan-e Haol* are also met after receiving it.

***Shafa'ee and Hanbali Schools:*** *Maher* money is considered as loan due to the wife from the husband and hence, *Zakaat* is due upon her just as in the case of other loans. There is a difference of opinion on the method of payment. *Shafa'ee* school holds that subject to fulfilment of other conditions, it shall be due every year regardless of actual payment by the husband. *Hanbali* School permits accumulation of *Zakaat* during the period when the money remained unpaid, provided that the conditions of the *Nisaab* and *Haolan-e-Haol* are fulfilled. The accumulated *Zakaat* shall, however, be paid immediately on receipt of the money from the husband.

#### **CASH IN HAND / BANK & OTHER FUNDS / INVESTMENTS**

Cash held in banks, other financial institutions and in contributory funds, shall be treated as loans, and hence, attract *Zakaat*. The opinions of different schools on modalities of payment are different:

***Hanafi School:*** These amounts are treated as 'Most Reliable' loans and hence, the same rules are

applicable to this category as mentioned earlier as 'Most Reliable'.

**Shafa'ee and Hanbali Schools:** *Zakaat* shall be paid every year on such deposits from which cash can be drawn at will. Where this option is not available, *Zakaat* shall be paid after their maturity for the entire period, i.e. from the date of deposit to the date of maturity/termination, even if the amount is not actually drawn.

**Maliki School:** Distinction is drawn between bank deposits and contributory funds. In the case of bank deposits, subject to other conditions, accumulated *Zakaat* shall be paid on actual receipt of the amount in full on maturity/termination of the scheme. In the case of contributory funds, only one year's *Zakaat* shall be paid on the amount actually received on maturity / termination of the scheme. However, if a person has not drawn the amount voluntarily, *Zakaat* shall be calculated and paid from the date of maturity/termination.

#### **PARTNERSHIPS & JOINT HOLDINGS**

It is possible that assets are held in the name of one or more than one person with proportionate or equal rights of ownership. It may be a business partnership or otherwise. In these cases *Zakaat* shall be due upon the total value of assets which shall be liable to be paid in the same proportion as that of ownership. However, there are some differences of opinion.

**Hanafi and Maliki Schools:** In the case of business partnerships and joint holding of assets, *Zakaat* is

applicable to each of the partners if the value of his or her share is equal or more than the *Nisaab*.

**Shafa'ee School:** Total value of all assets shall be taken into account and *Zakaat* be paid proportionate to respective share, if other conditions are fulfilled.

**Hanbali School:** Opinion not available.

#### ASSETS LOST BEFORE PAYMENT OF ZAKAAT

There may be occasions when a person may suffer losses and is unable to pay the *Zakaat*. In such cases opinions of the different Schools vary:

**Hanafi School:** Payment of *Zakaat* is excused if all the assets, upon which it was due, are lost before its actual payment. If the loss is partial, exemption also will be in the same ratio. This is because *Zakaat* is considered to be due upon assets and not upon the person.

**Shafa'ee and Maliki Schools:** Exemption from payment of *Zakaat* is allowed only if the loss takes place when the owner becomes insolvent and does not remain in a position to pay it, but not otherwise. This is because *Zakaat* is considered to be due upon a person and not upon the assets.

**Hanbali School:** This School agrees with either of the two opinions expressed above.

#### ASSETS LOST AFTER ZAKAAT AMOUNT WAS SET ASIDE BUT NOT PAID

There may also be occasions when money was set aside for payment of *Zakaat* but before its actual payment, the owner incurred losses to such an extent that the

provisions of *Zakaat* cannot be applied to him. The opinions of the different Schools under such contingencies are given below:

**Hanafi School:** *Zakaat* will be reassessed on the remaining assets. If their value fulfils the condition of the *Nisaab*, *Zakaat* shall be paid even if the loss was due to negligence of the owner.

**Shafa'ee School:** The same opinion is held as in the *Hanafi* School cited above, except that while calculating the *Nisaab*, loss due to negligence of the owner will not be excluded.

**Hanbali School:** *Zakaat* shall have to be paid under all circumstances.

**Maliki School:** *Zakaat* shall be paid in all cases, if needed, in instalments.

#### **IS PAYING ABILITY A PRE-CONDITION FOR ZAKAAT?**

This question arises when assets are held in the form of **jewellery** or such items which a person may not like to part with. At the same time he does not possess enough cash to pay the *Zakaat* which has become due. The opinions of different Schools are as follows:

**Hanafi and Hanbali Schools:** The ability of a person upon whom *Zakaat* is applicable with all other conditions fulfilled, is not a pre-condition. *Zakaat* shall be paid in kind or by converting part of the assets in cash.

**Maliki School:** Paying ability is considered a precondition. *Zakaat* may be carried forward and paid later.

**Shafa'ee School:** This school agrees with either of the two opinions expressed above.

### INCREASE/DECREASE IN ASSETS

Increase/decrease in assets may take place due to acquisition and disposal. It is unanimously held that in the case of increase because of acquisition of different kinds of assets, *Zakaat* year in respect of newly acquired assets shall commence from the date of acquisition of such assets. In case of increase in the assets already held, there are two possibilities: (1) due to growth of the existing holdings, (2) on account of transfers by gifts, inheritance and or new purchases. The opinions of different schools are as follows:

**Hanafi School:** It is held that the newly obtained assets shall be added to the existing ones and *Zakaat* on combined holdings shall be paid at the end of the *Zakaat* year. New *Zakaat* year for newly added assets need not be maintained.

Other schools are of the opinion that assets of different kinds obtained by means of gifts or inheritance shall not be added to the existing assets but separate *Zakaat* year be maintained for the new assets. *Zakaat* shall be applicable on these assets after the lapse of one lunar year in respect of each such asset.

### ZAKAAT YEAR

As the duration of holding of assets is one of the two qualifying conditions, it is important to be clear about its accounting. Opinions of different schools are as follows:

**Hanafi & Maliki Schools:** *Zakaat* is applicable only when one clear lunar year has passed on the holding of assets whose value is equal or more than the *Nisaab*, both at the beginning and the end of the year. Temporary fall in the value below the *Nisaab* during the year is to be ignored.

**Shafa'ee and Hanbali Schools:** *Zakaat* is not applicable if the value of assets falls below the *Nisaab* any time during the year (before its completion), and *Zakaat* year shall re-commence afresh as and when value of assets is equal or more than the *Nisaab*.

In view of the above, it should be quite clear that keeping meticulous record of increase/decrease of assets is imperative in order to ensure correct calculations and timely payment of *Zakaat*.

**Note:** It is important to bear in mind that those on whom *Zakaat* is due should adhere to the rules and regulations of the school opted by them. They cannot switch from one school to another for the sake of different calculations such as the *Nisaab*, duration of the year, and the calculation of the wealth on which *Zakaat* will have to be paid etc.

### ZAKAAT OF A DECEASED PERSON

When a person dies, the question of paying the *Zakaat* will arise if it had become due but not paid. Opinions of different schools are as under:

**Hanafi School:** If a person dies after *Zakaat* became due, it shall not be paid unless a will to that effect is left by the deceased.

Other schools do not consider the presence of a **will** as necessary requirement and rule that the *Zakaat* shall be paid out of the assets left behind by the deceased.

### EVASION AND AVOIDANCE

*Zakaat* may be avoided by resorting to measures like wilful reduction of assets below the value of the *Nisaab*, by means of transfer, sale, gift or even partial destruction. Opinions of different schools are as under:

**Hanafi and Shafa'ee Schools:** *Zakaat* is not applicable, though the concerned person shall be deemed to have committed a sin.

**Hanbali and Maliki Schools:** *Zakaat* shall be assessed on the value of assets before such measures were taken and is liable to be paid.

## CHAPTER - II

### PRESCRIBED ASSETS, THE *NISAB* & RATE OF *ZAKAAT*

#### PRESCRIBED ASSETS

The Holy Prophet (SAWS) has laid down the following items of assets upon which *Zakaat* is applicable:

- **Gold and Silver**
- **Cash**
- **Stock-in-Trade, i.e., items for sale**
- **Agricultural Produce**
- **Domestic Cattle (specified)**
- **Minerals & Treasures**

Items not mentioned above should be classified with one of the appropriate items for calculation and payment of *Zakaat*. Assets must be owned either individually or jointly.

**EXEMPTIONS:** The following categories of assets are exempted from *Zakaat*, provided these are not for sale and not made of gold or silver or contain these metals in separable form:

- (a) House-hold items like kitchen-ware cutlery, crockery, furniture, fixtures, fittings, sanitary ware etc.
- (b) All types of vehicles for own use or for commercial use.

- (c) Houses/flats for own use or for the purpose of letting out.
- (d) Land and plots not for sale.

#### **RATE OF ZAKAAT**

Rate of *Zakaat* is common for all assets valued in cash except agricultural produce, cattle and minerals. It is 2.5% (one fortieth parts) of the total cash-value of prescribed assets. It may be noted that there are no exemptions (except as mentioned above) and no slab system in *Zakaat*. Once the value of the qualifying assets is equal to or more than the prescribed *Nisaab*, *Zakaat* is assessed taking the whole value into account.

#### **APPLICABLE NISAB**

**GOLD/SILVER.** Gold and silver are the two metals which have been specifically mentioned for the appropriate calculation of *Zakaat*. They have served, and continue to do so, as a means of exchange in trade and financial transactions. Though metal coins made of gold and silver are no more in common use, yet gold does remain as a necessary guarantee for paper currency or any other substitute whose intrinsic value is much lower than the face value. These metals, like in olden days, are still used as a means of hoarding wealth. Gold and silver held in any form attract provision of *Zakaat*. Some of the common modes of holding of gold and silver are as follows:

- (a) Bullion (in the form of metal, e.g. sovereigns and biscuits).

- (b) Coins, whether legal tender or not.
- (c) Ornaments.
- (d) All kinds of wares, e.g., cutlery, crockery,
- (e) Other table wares, etc.
- (f) Antiques.
- (g) Embellishments and decorative items.

**Gold:** Standard gold (24 carat) shall be taken into account for the purposes of *Zakaat*. The *Nisaab* (qualifying quantity) in the case of gold is laid down as 20 *Misquals*. Its cost was equal to 20 Dinars (legal tender currency at that time). 20 *Misquals*, in weight, are equal to 87.300 grams (equivalent of 7.50 Indian *Tolas*). If the gold or items of gold - held are not of specified purity, the actual quantity of standard gold is to be determined by an expert. Equivalent quantity of 22 carat gold (commonly used in jewellery) works out to 95.236 gm. This is only one example.

**Silver:** Silver, like gold, is also extensively used for making ornaments, jewellery, coins etc. It is also used for making table-ware quite commonly by the affluent class. For the purpose of *Zakaat*, silver of 99% purity is taken as standard. The *Nisaab* (qualifying quantity) of silver is laid down as five *Auquias*. The value at that time was 200 Dirhams. Weight of five *Auquias* is equal to 611.100 gram (equivalent of 52.5 Indian *Tolas*). If the silver or items of silver held are not of specified purity, then the actual quantity of pure silver is to be determined by an expert.

**Notes:** There is difference of opinion on working out of equivalent quantities of gold and silver in *Tolas* and Grams. What is given above is widely accepted weight.

The rationale behind this quantity has not been laid down anywhere in books of *Fiqh* (Islamic Law). However, Shah Waliullah Dehalvi, one of the great authorities on Islamic *Fiqh* of the Indian sub-continent, has related the *Nisaab* to the amount required to meet the necessities of life for an average person for a period of one lunar year. Many authorities have accepted it as a probable rationale.

**Combined Holding of Gold & Silver:** There is a difference of opinion on the modality of calculating *Zakaat* when both gold and silver are in possession.

**Hanafi & Maliki Schools:** They recommend adding up of the two even if one or both are less than respective *Nisaab*. If the resultant quantity is equal to or more than the *Nisaab* of any of the two, *Zakaat* shall be applicable, otherwise not.

**Shafa'ee & Hanbali Schools:** These schools recommend that gold and silver should be taken separately and *Zakaat* calculated accordingly since these are two separate items. For example, if possession of gold is less than 87.300 grams and silver less than 611.100 grams, *Zakaat* shall not be applicable, even if their combined value becomes equal to or more than the *Nisaab*.

**Notes:**

- (a) In the case of combined holding of many types of assets (like gold, silver, cash, stock -in-trade etc.), it is not decided so far as to the value of which of the two metals should be taken to decide the *Nisaab*. Whether it should be lower of the two or higher is not precisely defined. This is pertinent on account of the wide disparity in the value of gold and silver

of the specified *Nisaab*. Till a final decision is taken on this issue, it is recommended that a person may either consult available Islamic authority or follow one's own conscience and pay *Zakaat* accordingly. It may be remembered that in case of excess payment, the amount paid does not go waste but earns reward from Allah (SWT). Whereas paying less intentionally is a sin, and the person shall be answerable to Allah (SWT) in the Hereafter.

- (b) Ornaments made of gold or silver only will be taken into account for the purpose of *Zakaat*. Actual quantity of required purity shall be ascertained and *Zakaat* calculated accordingly. On the basis of reports from *Umm-ul Mo'mineen Ayesha (RA)*, *Abdullah bin 'Umar (RA)* and *Jabir (RA)*, *there is no Zakaat on the ornaments of a woman (Tirmizi)*. All, except *Hanafi School*, have exempted ornaments which are in day to day use of a woman from *Zakaat*. At the same time it is unanimously held by all that ornaments which are not in regular use or made for hoarding wealth, shall be brought under the purview of *Zakaat*.

### CASH

At present wealth is expressed in terms of cash and not quantities except land and cattle. It is, therefore, necessary to know as to what constitutes cash. The following should be considered as cash:

- (a) Currency of any denomination and country provided it is a legal tender.

- (b) Cash in Bank or financial institutions, held in any type of account, including Deposits of any kind. Accounts like C.T.D., etc., and deposits maintained in Post Office also fall in this category.
- (c) Equity Shares, Debentures, Investment Certificates, Negotiable Instruments like Promissory Notes, Bills of Exchange, Bankers' Cheques, Units of Mutual Funds or any such instruments which can be readily converted into cash.
- (d) Contributions and premiums for various funds like Provident Fund, Chit Fund, Life Insurance Policies, etc.

The *Nisaab* and rate of *Zakaat* for cash are the same as that of combined holding of gold and silver. The reckonable amount of cash shall be compared with the prevailing prices of specified quality of gold and silver of the *Nisaab* (qualifying quantity) in order to determine the applicability of *Zakaat*.

#### **STOCK-IN-TRADE (BUSINESS STOCK)**

Stock-in-Trade includes all items of assets, movable and immovable, which are held for the purpose of sale.

It includes land, buildings, raw materials, antiques, old stamps and coins, units, equity shares, debentures, negotiable instruments - everything which is intended to be sold, exchanged or realised in cash etc. shall be categorised as asset. However, perishable items like vegetables, milk and other dairy products are excluded but cattle are included. With modern technology,

preservation has become feasible in many cases. Hence, those items which are excluded on account of their perishability should be reviewed objectively and decision be taken in the right spirit. The *Nisaab* of Stock-in-Trade is the same as that of cash. The book value of stock should be compared with the prevailing prices of gold and silver to establish applicability from the view point of the *Nisaab*.

**Note:** In the case of shares, debentures and units which represent equity participation in a company, *Zakaat* is not applicable on that part of the amount which represents assets like building, plants, machinery, furniture etc. which are the means of trading or production; if these are held for the sole purpose of earning dividend. For ascertaining the amount upon which *Zakaat* is applicable, previous years' balance sheet must be obtained and analysed, by an expert, if necessary.

## AGRICULTURAL PRODUCE

Applicability of *Zakaat* on agricultural produce is enjoined in the Holy Qur'an and stressed in the *Hadith*. The Holy Qur'an states:

*"O you who believe! Give of the good things which ye have (honourably) earned and of the fruits of the earth which We have produced for you..."* (al-Baqarah; 2:267)

*"It is He Who produces garden, with trellises and without, and dates, and tills with produce of all kinds, and olives and pomegranates, similar (in kind) and different (in variety). Eat of their fruits in their season, but render the dues that are proper on the day that the harvest is gathered..."* (al-An'am; 6:141)

Elaborating it the Holy Prophet (SAWS) has said:

*“The land which is irrigated by rain or natural springs or by dew or underground water upon it is Ushr (one tenth) as Zakaat; and the land which is irrigated by artificial means, upon it is half Ushr. (one twentieth) as Zakaat.”* (Bukhari, Abu Dawood, Ibni Majah and Tirmizi)

#### **DEFINITION OF AGRICULTURAL PRODUCE**

The agricultural produce includes all kinds of grains and fruits which can be stored and preserved, e.g., wheat, paddy, pulses, dates, figs, etc. However, there is some difference of opinion among the schools of *Fiqh*.

**Hanafi School:** Agricultural produce excludes fodder, firewood, bamboo, etc., but includes vegetables and honey (which can be weighed and preserved).

**Shafa'ee and Maliki Schools:** Vegetables are not included because in their opinion, agricultural produce should be capable of preservation and storage for subsequent use. Observations made on the possibilities of preservation for long duration referred to on page 28 under Definition of Agricultural Produce above are relevant here as well.

**Hanbali School:** All kinds of agricultural produce, used for food or not, which can be dried and preserved shall be taken into account.

### NISAB OF AGRICULTURAL PRODUCE.

As mentioned earlier, the applicability of the conditions of the *Nisaab* and *Haolan-e-Haol* are different from other assets. Opinions of different schools are as under:

**Hanafi School:** According to this School, there is no prescribed *Nisaab* (qualifying quantity) for agricultural produce. Even the smallest quantity attracts provisions of *Zakaat*.

Other Schools, however, lay down five *Wasq* (a unit of weight in Arabia) or 604 Kg. as the *Nisaab* for all types of agricultural produce. If the produce is less than this, *Zakaat* is not applicable.

### RATE OF ZAKAAT FOR AGRICULTURAL PRODUCE

Rate of *Zakaat* in respect of agricultural produce is different from that of gold and silver. Two contingencies have been taken into account and rates specified accordingly:

**Land Irrigated by Natural Means:** Agricultural produce obtained from free irrigation by natural means like rains, rivers, lakes etc., and the rate of *Zakaat* is laid down at 10% of the total of marketable produce. On account of this rate, *Zakaat* on agricultural produce is commonly referred to as *Ushr*, meaning one tenth in Arabic. Expenses incurred on other items like seeds, fertilisers, labour, taxes etc., and are to be deducted from the total crop value.

**Land Irrigated by Artificial Means:** Agricultural produce obtained by artificial means of irrigation for

which a person has to incur expenditure for digging wells, installation of pumps and payment of irrigation cess etc., the rate of *Zakaat* is reduced to half, i.e., 5% of the total marketable produce. In this case also expenses incurred on seeds, fertilisers, labour etc., are deductible from the total value of the crop.

**Land Irrigated by Combination of Means:** In the case of irrigation by natural and manmade means, it must be assessed which type of irrigation is dominant and rate of *Zakaat* be applied accordingly.

#### **CLASSIFICATION OF LAND.**

In Islamic jurisprudence agricultural lands are classified as *Khiraji* or *Ushri*. *Khiraji* class of land is the land upon which government is collecting *Khiraj*, a kind of tax which is payable by the vanquished to a conqueror after war, as part of peace agreement. *Zakaat* is not applicable on the produce of these lands. In the present context this class of land is perhaps non-existent. This is the legacy of the feudal past. If *Khiraj* is not being levied, then all lands fall in the category of *Ushri* and attract the provisions of *Zakaat*. Presently, all lands are classified as *Ushri* - owned by the citizens of state.

**NOTE:** Produce obtained as a result of agriculture on lands taken on lease or sharing of produce between the owner and cultivator also attracts the same provisos of *Zakaat*.

#### **DOMESTIC CATTLE:**

The Holy Prophet (SAWS) has specified three types of domestic cattle upon which *Zakaat* is applicable, i.e., camels, cows/buffaloes and goats/sheep. All except

**Maliki School** consider it necessary that the cattle should be fed on the natural forest products free of cost. Cattle fed at home on purchased fodder are exempted. *Zakaat* is applicable on horses, mules and donkeys if held as stock-in-trade, not otherwise. These cattle, if held as stock-in-trade, come under the provisions of normal *Nisaab* and *Haolan-e-Haol* (one lunar year). The rates of *Zakaat* are different for different types of cattle and their numbers. The details are given in Appendix 'A' Page 57).

## MINERALS AND TREASURES

Minerals such as ores, coal, oil, etc., which are found underground and excavated for own use or for commercial purpose. Treasures are those precious items which are buried (kept underground) by human beings for security. *Zakaat* is applicable on both these items. There are certain differences of interpretation.

### DEFINITION OF MINERALS

Opinions of the different Schools of *Fiqh* are as follows:

**Hanafi School:** Excavated mineral should lend itself to be heated and stamped otherwise *Zakaat* is not applicable, except mercury which is a liquid metal. Items like crude oil, gems and diamonds, therefore, do not attract provisions of *Zakaat*.

**Shafa'ee & Maliki Schools** are of the opinion that *Zakaat* is applicable to gold and silver only.

**Hanbali School** is of the opinion that every item taken out of ground is subject to the provisions of *Zakaat*.

### TREATMENT OF MINERALS & TREASURES

Different Schools of Fiqh treat the minerals and treasure differently for application of *Zakaat*.

**Hanafi School:** No differentiation is made in the case of minerals and treasures. Both are treated identically for the purpose of *Zakaat*.

Other Schools treat the treasures differently. If it is possible to establish that the treasures are of pre-Islamic era, and then these are called *Rikaz* (treasures), otherwise these are treated as *Laqta* (unclaimed). If it is not possible to identify the treasures, it is to be taken as *Laqta* according to *Shafa'ee* and *Hanbali* schools and *Rikaz* by the *Maliki* School.

### APPLICABLE NISAB

The *Nisaab* as such is not laid down for minerals. In the case of *Rikaz*, 20% of the quantity discovered is to be given as *Zakaat*. This is based on a *Hadith* reported by Abu Huraira (RA) that the Holy Prophet (SAWS) said:

*"...There is Khums i.e., 20% Zakaat, in treasures (buried)".* (Bukhari, Muslim, Abu Dawood, Tirmizi, Nasaie & Ibni Majah)

There are different opinions on the applicability of this rate on minerals and treasures.

**Hanafi School:** There is no difference between minerals excavated and treasures found buried. Also, like agricultural produce, there is no *Nisaab* (qualifying quantity) nor the condition of *Haolan-e Haol* (one lunar year) is applicable. *Zakaat* is applicable immediately on excavation.

**Shafa'ee and Hanbali Schools:** These schools recommend different rates for minerals and treasures since these are not mutually treated on par as is done by the *Hanafi School*. They rule that the rate of 20% (*Khums*) is applicable only on/to *Rikaz* (treasures). As regards minerals, the usual rate of 2.5% is recommended as in the case of silver.

**Maliki School:** This school agrees with opinion of the *Shafa'ee* and *Hanbali* schools except that in the case of *Rikaz* the rate to be reduced to 2.5% if effort is involved in discovering it. In case no effort is involved in mining the minerals the rate shall be raised to 20 per cent.

#### MISCELLANEOUS POINTS

*Hanafi* and *Maliki Schools* treat treasures as war booty, and hence the *Khums (Zakaat)* collected can be utilised as such, i.e., to meet government expenses and cost of projects for public welfare etc.

*Hanbali School* is of the opinion that *Zakaat* shall be collected from all irrespective of religious faith.

*Shafa'ee school* treats treasures as normal assets belonging to the finder and hence the *Zakaat* taken upon it should be used as per the instructions applicable to it. It is also of the view that it cannot be taken from non-Muslims since *Zakaat* is not applicable to them.

Despite all the above details there shall be instances when doubts will arise about applicability, *Nisaab* and Rate of *Zakaat*. As mentioned earlier, *Zakaat* is as important a duty towards Allah (SWT) as *Salaat*, one demanding precious time and the other the dearest thing called

wealth. One is purely for self-purification and reassurance regarding relationship between individual and the Creator; the other is for both the Creator and His, most beloved creatures, the needy human beings. *Salaat*, if missed during the given time can be offered afterwards; but default in *Zakaat* deprives a rightful person of his right to the provision made by Allah (SWT). It is therefore, strongly recommended that due care be taken, consciously and conscientiously, to ensure timely and correct payment of *Zakaat* with an intention to **Give** rather than to **Save**.

#### ASSESSMENT OF ZAKAAT

Assessment of *Zakaat* is neither so difficult as to make the task impossible for any literate person nor is it so easy as to be taken casually. A record of all those financial transactions which result in increase or decrease of reckonable assets ought to be meticulously maintained. It should never be left to the memory. This is particularly so in the case of earnings and investments at local, national or international levels.

It is rather surprising that Muslims are well aware of all the minute details of *Taharat and Salaat*, but when it comes to *Zakaat*, their knowledge is not only poor and insufficient but also the degree of seriousness and meticulousness is found wanting. This is a serious matter and needs urgent attention. For example, at current prices (Year 2000) of silver the *Nisaab* is just around Rs.4,277=70 (current value of 611.10 gm. of pure silver). It means that anyone who is in combined possession of reckonable assets of this amount or more is duty-bound to pay *Zakaat*.

The number of persons who would be required to perform this important duty and the amount collected thereon can well be imagined. If collection and distribution of even a part of *Zakaat* is centralised at a locality, village, town or a city level, enough funds will be generated to look after the poor and destitute of the community.

In order to facilitate proper assessment of *Zakaat*, a proforma has been designed and given at Appendix 'B' (Page 59). This is a simple and self-guiding form. If the relevant columns are filled in, completed with due care, it will, *Insha Allah*, determine correctly the amount due and payable towards *Zakaat*. As an additional precaution it must be got checked by a knowledgeable person, if available. This practice will not only ensure prompt and full payment of the dues of *Zakaat* but also bring peace and prosperity amongst Muslims as promised by Allah (SWT):

*"The parable of those who spend their wealth in the way of Allah is that of a grain of corn: it grows seven ears, and each ear hath a hundred grains. Allah gives a manifold increase to whomsoever He pleases: and Allah cares for all and He knows all things."* (al-Baqarah; 2:261)

## CHAPTER - III

### COLLECTION AND DISTRIBUTION OF ZAKAAT

#### COLLECTION OF ZAKAAT

Collection and distribution of *Zakaat* is of the utmost importance in view of the exhortation from Allah (SWT) at several places and extra care taken by the Holy Prophet (SAWS) and *Khulafa ar-Rashideen* (the Rightly Guided Rulers) who followed him.

Up to the 12th century, during the period of the *Khilafat-ul-Abbasia*, (Abbasid Rulers), *Zakaat* was collected by the collectors appointed by the government and deposited in the *Baitul Mal* (Government Treasury). It was used for the purpose of helping those who deserved it in accordance with the instructions laid down in the Holy Qur'an and the *Sunnah*. After the fall of the *Abbasi Khilafat*, there was no central authority to collect and administer the *Zakaat Fund*.

It was a period of anarchy and disturbance. For the first time people were faced with the question of collection and distribution of *Zakaat*. No one appeared to be clear about the way to discharge this duty towards Allah (SWT). They felt that people might altogether discontinue paying *Zakaat*, not to escape the duty, but for lack of proper authority and absence of clear instructions.

It was in this situation that the *Ulema* and *Imam* of the *Ummah* recommended that the *Zakaat* should in any case be paid regardless of central authority as hitherto,

since the duty towards Allah (SWT) is not connected with the mode and modality of collection and distribution. Permission was thus granted to the people upon whom *Zakaat* was due to disburse it among the deserving persons individually and be discharged of this duty towards Allah (SWT). From then onwards the practice of giving *Zakaat* individually has continued to this day. Even though central authority is re-established in some parts of the world, but the system of collection and distribution of *Zakaat* through government machinery has not been revived. In this way individuals were left to manage their own *Zakaat* affair.

With the passage of time and in the absence of a central authority to collect and distribute *Zakaat*, the very spirit of this commandment, which is one of the five pillars of Islam, has been considerably weakened, if not lost altogether. Its religious significance has been diluted to such an extent that majority of Muslims hardly realise that it is a mandatory religious responsibility to pay *Zakaat*. All those who possess adequate prescribed assets (Nisaab) and do not pay *Zakaat* are committing a grave sin. Thus the greatest and the unique institution of social justice, ever embarked upon in the history of mankind, became ineffective and almost got reduced to a mere ritual.

Notwithstanding the disruption and disintegration of the system of collection and distribution of *Zakaat* practised by the Muslims of the early period, the responsibility of discharging this duty now rests squarely upon the shoulders of the eligible individual, failing which he or she shall be answerable to Allah (SWT) in the Hereafter. In this context it is not only important to know

about the applicability of this mandate from Allah (SWT) but is also imperative to know well about its utilisation.

### DISTRIBUTION OF ZAKAAT

*Zakaat* is actually a compulsory form of '*Sadaqah*', which is meant to help the indigent. Those who are eligible to receive it have been mentioned in the following *Ayat* of the Holy Qur'an:

*"Alms are for the poor, and the needy, and those employed to administer the (funds): for those whose hearts have been (recently) reconciled (to Truth); for those in bondage and in debt; in the cause of Allah; and for the wayfarer: (thus is it) ordained by Allah and Allah is full of knowledge and wisdom."* (at-Tawbah; 9:60)

A *Hadith* of the Holy Prophet (SAWS) on the distribution of *Zakaat* indicates that apart from the category of people mentioned in the above *Ayat*, no one else can receive it. Zayd bin Harith (RA) reported that once a person approached the Holy Prophet (SAWS) for a share from *Zakaat*, whereupon he said:

*"Allah has left the expending of Zakaat to the option of neither a prophet nor a non-prophet, but has Himself decided upon it and fixed eight heads. If you come under any of those I shall certainly give you out of Zakaat fund."* (Abu Dawood)

It is evident that due care needs to be taken to ensure that *Zakaat* is not only assessed and collected properly but also it is given to the prescribed deserving persons only. In the absence of centralised collection and distribution system this aspect becomes doubly important.

## **PERSONS ELIGIBLE FOR ZAKAAT**

According to the *Ayat*, referred to above, there are eight categories of persons, given below, who are eligible to receive assistance from *Zakaat*:

- (i) The Poor.
- (ii) The Needy.
- (iii) Persons engaged in administration of *Zakaat* Fund.
- (iv) Persons whose hearts have been reconciled to the Truth.
- (v) Persons in bondage (slaves).
- (vi) Persons in heavy debt.
- (vii) Persons struggling and striving for the cause of Allah (SWT).
- (viii) Wayfarers and Travellers.

### **POOR (*Faqeer*)**

Poor is defined as the one who cannot sustain himself without assistance either in cash or kind. He/She becomes helpless owing to old age, ill-health, rendered handicapped, losses on account of accidents and natural calamities, etc., to such an extent that if not helped in time they will be compelled to resort to begging.

### **NEEDY (*Miskeen*)**

From the point of view of economic status, the poor and needy are similar. However, there is a difference. The needy are those who despite their poverty do not

reveal their plight. Such people are difficult to identify. They may approach institutions, if they exist, but would not like to ask from individuals directly on account of self-respect and social status.

#### **PERSONS ENGAGED IN ADMINISTRATION OF ZAKAAT FUND ('Aamileen)**

Salaries of people engaged in collection, safe custody, accounting, distribution and other administrative responsibilities can be paid out of the *Zakaat* Fund. This is also borne out of this report from Busar bin Sa'eed (RA) that Abdullah bin Sa'dee Maliki (RA) said:

*“Umar (RA) (the second Caliph) put me on the job of collection of Zakaat. When I finished the work and handed over the material, he ordered wages be given to me. I said, ‘I have performed the duty for the sake of Allah.’ He said, ‘Whatever is given to you accept it, because in the days of Prophet (SAWS) I too had done this work (of collection of Zakaat). When he (SAWS) was giving me wages, I had said the same words that you said to me; whereupon the Prophet (SAWS) told me, ‘If something is given to you without your asking for it, then accept it and eat, drink and give charity out of it.’” (Bukhari & Muslim)*

Incidentally this establishes the fact that payment of *Zakaat* was not left to the individuals but it was collected centrally - a practice lost long back. Those who take the initiative and revive it will indeed be doing a pious deed.

**PERSONS WHO'S HEARTS HAVE RE-CONCILED  
TO THE TRUTH (*Mo'lat-ul Quloob*)**

Actually the meaning of the word used in the *Ayat* is to win the heart of a person. This is the only occasion when even non-Muslims may be given *Zakaat*.

There is a difference of opinion regarding the admissibility of this expenditure out of *Zakaat*. Nevertheless it was an established practice during the lifetime of the Holy Prophet (SAWS). After him, this practice was discontinued at the instance of 'Umar (RA) during the period of the first *Khalifah* Abu Bakr (RA).

There is a difference of opinion about its revival if and when such situations prevail again. Utilisation of *Zakaat* for winning the hearts of neo-Muslims and those likely to convert is well established. The first ones, i.e., neo-Muslims deserved all possible help and assistance having severed their ties with their kith and kin for the sake of faith with consequent economic problems. The Non-Muslims, deserved to be encouraged and persuaded to adopt Islamic faith, thus overcoming the hesitation on account of possible economic hardships which they apprehended, would follow with change of faith. The views of different schools are as follows:

***Hanafi School:*** This school is of the opinion that this particular head of expenditure stands cancelled from the days of the first *Khalifah*. The base of their opinion is an incident in which the second *Khalifah* 'Umar (RA) declined to be a witness over gifting away of some land to a non-Muslim who has been receiving monetary assistance during the days of the Holy Prophet (SAWS), even though the first *Khalifah* Abu

Bakr (RA) was inclined to continue the practice. The reason put forward by 'Umar (RA) was the change in the circumstances faced by the Muslim community from that of the oppressed and unstable to that of strength and stability which brought all round economic progress. The person concerned was otherwise well to do, not dependent on any help from *Zakaat* as such.

**Shafa'ee School:** This school is of the opinion that non-Muslims cannot be given *Zakaat*. Some of the followers of *Maliki* School agree with this.

**Hanbali School:** This school holds of the opinion that non-Muslims may be given *Zakaat* should the need for it arise.

Notwithstanding the differences and the grounds thereof, neo-Muslims, among the first two categories, deserve special treatment for obvious reasons. It is a point for consideration and Muslims may be well advised to take care of this category rather carefully and magnanimously. It may not be possible for individuals to locate such people as also for these neo-Muslims to approach the right persons. This is where the central funding comes into play, and proves its usefulness.

#### **PERSONS IN BONDAGE (*Riqaab*)**

It appears that there are no known cases of slavery at present. Till recently it was practised in USA. Those were the days when slavery was prevalent. It was considered a matter of prestige and a sign of affluence. Such unfortunate human beings were at the absolute

mercy of their owner. None could interfere if harsh and inhuman treatment was meted out to them.

There were also some noble exceptions where slaves were treated humanely and fairly by their masters. However there was no question of equality of status. With the advent of Islam, this category of human beings found great opportunity to free themselves from subservient, oppressive and bonded status to that of equality with fellow human beings.

A good number of slaves were, naturally, attracted towards Islam both for its truth and genuineness of faith, and also to obliterate the stigma of slavery. In Arabia, there were two possibilities of achieving freedom from bondage - either to enter into an agreement with the master to compensate him/her by paying the amount demanded or find some kind-hearted soul to purchase them from their masters and set them free.

Slaves who converted to Islam found their non-Muslim masters more harsh and cruel to them. It was under these circumstances that the funds of *Zakaat* came handy.

#### **PERSONS IN HEAVY DEBT (*Gharimeen*)**

A person is considered to be in heavy debt if its redemption will require disposing off all his worldly belongings reducing him to the status of "the poor". For a healthy person, even after losing everything, begging is not allowed.

There are many cases where a person incurs debt not because of mismanagement of his affairs or pursuit of

worldly pleasures but on account of losses in business, natural calamities, fire, cost of medical treatment and so on. These are the unfortunate persons who deserve monetary assistance to tide over their current problems and re-habilitate.

It may not be easy to identify such persons or to verify the facts. A well established and well managed institution can perform this task properly. This is another factor which calls for centralised organisation for the collection and distribution of *Zakaat*.

#### **PERSONS STRUGGLING AND STRIVING IN THE CAUSE OF ALLAH (SWT) (*Fi-Sabeelillah*)**

The Holy Qur'an has frequently used this phrase which has been interpreted by the majority as referring to those people who have committed themselves for the cause of Islam.

During the early phase of Islam, wars were common, either to defend the nascent Islamic state or to help those who desired to be freed from the tyrannical ordeals. The concept of standing army was non-existent then. All able-bodied and healthy people, including women, used to participate in wars for the holy cause. These people were not paid regular salaries. Instead, they spent their own money for acquiring the where-withal for fighting. Hence, they deserved to be helped in order to mitigate the monetary hardships, even if they did not fall in the category of the poor and needy.

Compared to those days the conditions have significantly changed. Presently, every nation has a standing army of trained professionals who are paid

regular salaries, both during war as well as in peace time. But the recurrence of such conditions cannot be ruled out.

The most recent example may be of Bosnia where the entire population of Muslims, facing threat of physical extinction, took to arms to defend themselves from other ethnic groups who embarked upon the so called 'ethnic cleansing'. The conflict which dragged on for months saw thousands of men, women and children, young and old, sick and healthy, being butchered in the heart of the civilised and democratic Europe. The utilisation of *Zakaat* amount to help them in cash and kind may be justified in such cases. However one should be extremely careful in identifying the people who are really engaged in protecting themselves as Muslims from such anti-Islamic triggered atrocities.

#### **TRAVELLERS AND WAYFARERS (*Ibni-s Sabeel*)**

This is the last of the categories of Muslims who are permitted to receive assistance from *Zakaat*. A person who is away from his permanent place of residence is often devoid of means and resources. One should not face pecuniary problems and no one is there for help. Under such circumstances a person is also entitled to receive *Zakaat*.

Islam took great care of travellers and provided assistance for them in times of need and included this category among those deserving payments from *Zakaat*. With the present day all round progress, this situation may not arise in most cases as one can contact anyone in the world from any place. Yet there are areas, as well as people, who do not have these facilities. Hence, Muslims

are duty bound to help out such people as and when the need arises. There are different views on some minor issues:

***Hanafi, Hanbali & Maliki schools:*** Anyone who is in a state of travel, irrespective of his/her actual financial status assistance can be given out of *Zakaat* to the extent that he can return to his home.

***Shafa'ee school:*** This school is of the opinion that a person need not actually be away from his /her home to receive help out of *Zakaat*. Any person who wishes to travel to another place and come back can get help from *Zakaat*, provided the journey is not for ignoble purposes.

## **PERSONS NOT ELIGIBLE FOR ZAKAAT**

People who do not fall in any of the above mentioned categories are not eligible to receive *Zakaat*. However, specific details are given below:-

### **WEALTHY & HEALTHY**

The wealthy people represent the relatively affluent members of the community who are not dependent for any financial assistance for their day to day living as opposed to the poor and needy as already explained.

The Healthy are those who can work and earn wages to meet their day to day requirements of life. According to all, except *Hanafi* School, paying *Zakaat* is prohibited to this kind of people.

*Hanafi* School is of the opinion that the ability to work and earn is not a criterion. So long as a person does

not possess assets to attract the provisions of *Zakaat* he/she is eligible to receive it. It is worthwhile considering whether a person who is not able to get a suitable employment can be assisted financially, either to take care of his basic necessities till he finds a job or provide sufficient funds enabling him to set up suitable business to earn his livelihood. In the present context, when unemployment is quite wide-spread, this question assumes significance. There is a system of giving unemployment allowance in some countries. Perhaps at least some of the educated unemployed may merit this kind of consideration. This point needs to be given serious thought.

#### **FAMILY MEMBERS OF THE PROPHET (SAWS) AND SLAVES FREED BY THEM**

**Family Members:** All the schools are unanimous about the prohibition imposed upon the family members of the Holy Prophet (SAWS) from taking *Zakaat*. However, there are differences of opinion as to who constitute the family members.

**Hanafi & Maliki Schools:** According to these Schools, the descendants of Banu Hashim, i.e., Ali, Aqeel, Jafar, Abbas and Harith (RA) only are included in the definition of family members.

**Shafa'ee School:** This School includes children of Banu Muttalib also in the category of family members.

**Hanbali School:** This School agrees with either of the two opinions expressed above.

**Slaves Freed by Family Members:** According to *Shafa'ee and Maliki* Schools, this prohibition does not

apply to freed slaves of the family members of the Holy Prophet (SAWS) since in their view; the nobility is restricted to the family members of the Prophet (SAWS) only. The other two Schools do not support this opinion.

All except *Maliki* School are of the opinion that the prohibition is restricted to mandatory *Zakaat* only. Optional *Sadaqaat* (alms) are excluded.

#### PARENTS & CHILDREN

All the schools are unanimous that parents and children cannot receive *Zakaat* from each other.

#### SPOUSE

All the schools are unanimous that wife of a person cannot take *Zakaat* from her husband since her entire responsibility rests upon him. However, there is no bar on a husband receiving *Zakaat* from wife since she is not responsible for the sustenance of her husband, provided he otherwise falls in one of the above mentioned eight categories.

#### NON-MUSLIMS

It is unanimously held that *Zakaat* is not meant for Non-Muslims. It is the right of Muslims alone as the words of *Hadith* state: "*Zakaat shall be taken from the rich (Muslims) and given to the poor (Muslims).*" As mentioned earlier, Non-Muslims may be given *Zakaat* under the head of "**Those whose hearts have reconciled to the truth**".

**Note:** Parenthesis has been added for the sake of clarification.

## SUMMARY

No society in the world has been without disparities in terms of wealth amongst its members. Rich and poor, mighty and weak, beautiful and deformed, healthy and sick are some of the commonly observable contrasting characteristics of all communities. Despite the phenomenal progress made in the wake of the epoch-making Industrial Revolution, mankind has not been able to remove these disparities. Of all the disparities, inequalities in material wealth and social status of human beings are not only more pronounced but are also extremely difficult to eliminate in this materialistic world. It is not only an anachronism but an agonising fact that despite having the means and technology to eliminate such differences, far more people are living below the poverty line and under appalling conditions than ever before.

These disparities or contrasting appearances of human life are but a divine trial of human character during the period of probation in this world. Rich persons offering a helping hand, out of compassion to fellow human beings in distress, are the noble ones for indeed Allah (SWT) loves the compassionate. Those who ignore them due to love of wealth and selfishness will incur the displeasure of Allah (SWT) and will be destined to face the consequences in the Hereafter, if not in this world.

Almost all religions exhort their followers to be compassionate and sympathetic towards the poor and indigent. Even atheists encourage charity, not to be left behind in this most visible social service. Islam, being the

ultimate religion with a comprehensive and perfected religious code, has not only systematised and institutionalised social justice, but has also linked it with handsome rewards in this world and salvation and success in the Hereafter. It has raised the level of charity to that of a mandatory duty towards Allah (SWT) and is included it as one of the pillars of *Deen ul-Islam*.

Although *Zakaat* is mandatory duty towards Allah (SWT) yet the Qur'an and *Ahadith* do not prescribe any physical punishment to the defaulters in this world. It has been left to the conscience of the believers to obey the commandment or face serious punishment in the Hereafter. A wealthy but devout Muslim will always prefer to seek the blessings of Almighty Allah (SWT) and pay *Zakaat* to the deserving fellow human beings.

The acquisition of material wealth is a sign of affluence and a visible symbol of status in society. The wealthy find it hard to part with their wealth unless assured of a reasonable return. *Zakaat* is a unique institution in Islam where, out of sheer compassion to help the poor and needy and to seek the pleasure of Allah (SWT) - both in this world and in the Hereafter, people with sufficient means - (*Sahib un-Nisaab*) willingly pay the prescribed amount. The Holy Qur'an and the traditions of the Prophet (SAWS) have clearly fixed the limits on which *Zakaat* is mandatory and have clearly identified the individuals who are eligible to receive *Zakaat* for their sustenance. Hence nothing has been left to chance or to human ingenuity regarding the assessment and distribution of *Zakaat*.

In the absence of a central agency to collect and distribute the *Zakaat Fund*, its role to promote equity and eliminate poverty is not being accomplished. Since there is no proper dissemination of information about the amount of *Zakaat* payable under different categories, Muslims are not sufficiently informed about their correct *Zakaat* assessment. Further, they make their own arrangement for its distribution among the poor and the needy. If the collection of *Zakaat* amount is properly organised and managed, it can go a long way in eradicating poverty, eliminating hunger and disease, improving the level of literacy and also the quality of education and employment potential among Muslims. It will take Muslims out of their ghettos and provide them with an opportunity to breathe fresh air in a clean environment and live a life of honour and dignity with the blessings of Allah (SWT). On the whole, *Zakaat* ensures the economic health of the poor and the spiritual salvation of the rich. This twin edged weapon of Islam has no parallel in the history of human civilization. It can serve as a most effective instrument to improve the social and economic wellbeing of the under-privileged members of the global community.

It is never too late, more so for a noble and divine cause to set up a centralised agency for the collection and distribution of *Zakaat*. If there is a will to act it can certainly be accomplished. Centralised collection and distribution may be started at any level. No level is modest when it comes to making a start. Family, locality, circle of friends or any additional group with identity of aims and objects, can start this and set an example for others. *Masajid* (mosques) have played a unique role in the

early period of Islamic history. So long as they remained the centre of all social activities, Islam flourished. The day mosques were relegated to being merely places for *Salaat* only, their role as focal points of Muslim social life began to decline. Today we find them in unparalleled magnificence, but it appears to have lost its soul. Presently we have prayer leaders (*Imams*) in them, but not the leaders of the Muslim *Ummah*. We do go to the mosques and offer *Salaat* with our Muslim brothers, but hardly know each other. Today, contrary to the practice during the days of the Holy Prophet (SAWS) and his successors, we are managing our affairs outside the mosques. It is time to take stock of our own conduct as a fraternity and do something for improving our social existence and image, not in terms of wealth but in terms of character - the unique Islamic character, governed by the Qur'anic principles and Traditions of the Prophet (SAWS)

In conclusion it may be observed that this monograph on *Zakaat* attempts to spell out clearly the categories on which *Zakaat* will be applicable as well as those eligible to receive *Zakaat* funds. The purpose for which *Zakaat* funds can be utilized as per the Qur'anic injunctions, traditions of the Prophet (SAWS), are elaborated by the four different schools of *Fiqh* viz., *Hanafi*, *Shafa'ee*, *Maliki*, and *Hanbali*. The monograph also spells out the principles of assessment as agreed upon by different schools of *Fiqh* and finally provides a **proforma** which, if filled in with care, will help, *Insha Allah*, in assessing the *Zakaat* amount correctly.

Finally those who pay *Zakaat* are cautioned not to switch from one school of *Fiqh* to another school for the sake of convenience in the calculation of *Zakaat* amount

under different categories. They must adhere to the rules of one and the same school for the assessment of the amount of *Zakaat* payable for various holdings such as gold and silver, cash, stock-in-trade, agricultural produce etc.

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(\*) year of publication has not been  
indicated.

**Refers to Page 32**

### APPENDIX : A

#### RATES OF ZAKAAT ON DOMESTIC CATTLE

The rates of *Zakaat* are different for various types of cattle and quantities.

##### CAMELS

Less than 5	No.s	:	NIL	
05	to	09	:	1 Goat
10	to	14	:	2 Goats
15	to	19	:	3 “
20	to	24	:	4 “
25	to	35	:	1 One year old she-camel.
36	to	45	:	1 Two year old camel.
46	to	60	:	1 Three year old camel.
61	to	75	:	1 Four year old camel.
76	to	90	:	2 Two year old camels.
91	to	120	:	2 Three year old camels.

##### COWS / BUFFALOES

Less than 30	No.s	:	NIL	
30	to	39	:	1 One year old calf of cow/buffalo.

40	to	59	:	1	Two year old calf of cow/buffalo.
60			:	2	One year old calves of cow/buffalo

**SHEEP/ GOATS**

Less than 40	No.s	:	NIL			
40 to 120		:	1	sheep/goat	of	one year age.
121	to	200	:	2	"	"
201	to	399	:	3	"	"
400			:	4	"	"

For quantities above these number *Zakaat* may be determined in consultation with scholars of own school of thought.

## APPENDIX 'B'

**ZAKAAT ASSESSMENT FORM**

S. No.	DETAILS OF RECKONABLE ASSETS	MARKET VALUE		ZAKAAT DUE
		gms.	Rs.	Rs.
1	<b>GOLD</b>			
	Metal (Biscuits) Jewellery, Antiques, Embellishment, Decorative items etc.			
	<b>(a) 24 Carat.</b>			
	LESS 2% of the weight of the items IF STUDED WITH GEMS etc.			
	NETT QUANTITY			
	MARKET VALUE @ ... per 10 gms			
	<b>(b) 22 Carat.</b>			
	LESS 2% of the weight of the items IF STUDED WITH GEMS etc.			
	NETT QUANTITY			
	MARKET VALUE @ ... per 10 gms			
2.	<b>SILVER</b>			
	Metal (Biscuits) Jewellery, Antiques, Embellishment, Decorative items, Tableware etc.			
	LESS 2% of the weight of the items IF STUDED WITH GEMS etc.			
	NETT QUANTITY			
	MARKET VALUE @ ..... per Kg			
	<b>ZAKAAT @ 2.5%</b>			
	<b>Zakaat Sub-Total carried forward</b>			