



You shall establish Salat and you shall give Zakat and you shall bow along with those who bow [to God]. (Qur'an 2:43)

Zakat on Investments

Advance planning is always better

- Determine your Zakat Due Date.
- This is required for valuation of zakatable wealth.
- This date could be 1st Ramzan or any other date as per lunar calendar.
- If last year's Zakat Due Date is known, the same will continue to be Zakat Due Date this year also.

Update all Accounts

Update all your accounts on the Zakat Due Date - Bank Balance, Mutual Funds, Fixed Deposit, Shares, Bonds, Debentures, etc. Also make a list of your investments in properties, commercial shops or other fixed assets.

Ascertain the quantity and value of gold/silver, cash in hand on Zakat Due Date.

Niyyat (Intention)

Your *Niyyat* (Intention) at the time of making the investment is most important. As per your *Niyyat*, these assets will fall in the following two categories:

- i) Fixed Assets or Long-Term Investments (say 5 years, 10 years or held till maturity). Such assets could be in Shares, Bonds, Debentures, Mutual Funds, Land, Property and other such assets.
- ii) Short-Term Investments - Shares, Bonds, Debentures, Mutual Funds, Plots of Land, Flats, Shops, Currencies and assets intended for sale within a year.

Zakatable Wealth

Check-up whether sum-total of your total wealth is above *Nisaab* level or below *Nisaab* level. If last year, it was above *Nisaab* level and this year also it continues to be above *Nisaab* level, then Zakat is payable on your wealth.

What is *Nisaab*?

Nisaab is the minimum limit of wealth below which Zakat is not payable. However, if the wealth exceeds this minimum level, Zakat is payable. The *Nisaab* limit for gold is 7 ½ tolas (87.479 grams) and 52 ½ tolas for silver (612.35 grams) or its equivalent.

The price of gold say on 26th March 2020 in Mumbai is Rs.4,217 per gram and price of silver is Rs.41.81 per gram, then accordingly, *Nisaab* level is Rs.3,68,900 for gold and



Rs.25,602 for silver. (Ref.: www.goodreturns.in). Please check up *Nisaab* level on your Zakat Due Date accordingly and as per the region of residence.

Market Value of Short-Term Investments

Find out the market value of all your short-term assets (held for trade) on the Zakat Due Date. These rates are available from stock exchange for securities and from real estate brokers in respect of properties.

Income from Long Term Investments

Find out how much dividend or rent or monetary gain is credited in your bank account on your investments held in long term assets or fixed assets.

In case, any fixed assets or long-term assets, have been sold out during the year, please find out how much profit you have earned on it.

Profit here means (Sale Price – Purchase Price)

Zakat Rate on Income from Long-Term Assets

As per principles of Zakat, investment in land (fixed asset) is not subject to Zakat. However, the produce coming from land, is subject to Zakat @ 10% (un-irrigated land). On the same basis, all the annual returns or yields (including rent on property) arising from long term assets or fixed assets would be subject to Zakat @ 10%. Further, when you sell the long-term asset or fixed asset, the profit on sale will attract Zakat @ 10%.

Zakat Rate on Short-Term Investments

Short term investments, like any other merchandise of buying and selling, would be subject to Zakat @ 2.50% on the market value of investments on Zakat Due Date.

This will be considered under the category of “Trading Goods”.

Zakat Payment

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Association of Muslim Professionals - Zakat

Account Number: 0113883026

Kotak Bank, Maratha Mandir Branch, Mumbai Central

IFSC Code: KKBK0001348

For online payment log on to: http://ampindia.org/amp_zakat_fund

Or e-mail us on info@indiazakat.com for further clarification.