



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 Trade

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.

Ascertain quantity and value of inventory

Ascertain value of unsold inventory in the shop and godown on Zakat Due Date. Value stock of raw materials at its cost price and stock of finished goods at its market price. Add bank balance, cash balance and amount receivable from customers.

Deduct outstanding amount to suppliers or service providers. Also deduct, if any, short term loan taken on trade goods. After deducting it, the remaining amount would be Zakatable wealth.

Zakatable Wealth

Apart from trade, if you have personal wealth, for example, gold, silver, personal bank balance, etc., please ascertain its value on Zakat Due Date.

Update all your accounts on the Zakat Due Date: Bank Balance, Fixed Deposits, Mutual Funds, Investment in Shares, or Bond or foreign currency, etc. please add the balances of all financial instruments to your Zakatable wealth.

If you have invested in plot of land or building (with the intention of resale) check up its market value and add it to your 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.

No Zakat on Fixed Assets

There is no Zakat on building of shop, office, godown, factory, plant and machinery, equipment, furniture and fixtures used in the business.

Rate of Zakat

Calculate your Zakat liability at the rate of 2.50 of total Zakatable wealth.

Zakat Payment

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Association of Muslim Professionals - Zakat
Account Number: 0113883026
Kotak Bank, Maratha Mandir Branch, Mumbai Central
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