

If The Value Of Trade Goods Decreases, At What Price Should Zakat Be Paid?

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What do the honorable scholars say regarding this issue: Zaid purchased a plot near a private society for approximately 10 million rupees with the intention of selling it. He still holds the same intention, but by the end of the year, the value of the plot has decreased to around 5 million rupees. In this situation, at what value Zakat should be calculated for this plot.

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An item purchased with the intention of selling is called Maal-e-Tijarat (goods for trade) and the Islamic ruling is that Zakat is to be paid based on the market value of the goods for trade at the end of the year. In the given scenario, if the market value of the said plot has really decreased from 10 million to 5 million rupees by the year's end, then Zakat will be obligatory based on this current valuation only.

It has been stated in Fatawa Hindiyya:

“تعتبر القيمة عند حولان الحول”

Translation: The value (of something) at the completion of the year will be considered.

(Fatawa Hindiyya, Vol. 1, Page 179, Published in Quetta)

Ala Hazrat, Imam-e-Ahle-Sunnat, Imam Ahmad Raza Khan رحمۃ اللہ علیہ states:

”تجارت کی نہ لاگت پر زکوٰۃ ہے نہ صرف منافع پر، بلکہ سال تمام کے وقت جو زر منافع ہے اور باقی مال تجارت کی جو قیمت اس وقت بازار کے بھاؤ سے ہے، اُس پر زکوٰۃ ہے۔“

Translation: Zakat is neither on the cost price of goods for trade nor on profit alone, instead Zakat is on the profit available at the end of the year and on the market value at the end of the year of the remaining goods for trade.

(Fatawa Razaviyyah, Vol. 10, Page 158, Published by Raza Foundation, Lahore)

The Khalifa of Ala Hazrat, Mufti Muhammad Amjad Ali A'zami رحمۃ اللہ علیہ writes:

”مال تجارت میں سال گزرنے پر جو قیمت ہوگی اس کا اعتبار ہے۔“

Translation: The value of goods for trade at the completion of the year is considered (for Zakat).

(Bahar-e-Shariat, Vol. 1, Page 907, Maktaba-tul-Madina, Karachi)

واللہ اعلم عزوجل ورسولہ اعلم صلی اللہ تعالیٰ علیہ وآلہ وسلم

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