

UNIT

2

ZAKAT, USHR AND INHERITANCE

- ▶ Zakat
- ▶ Ushr
- ▶ Inheritance

After completion of this unit, the students will be able to:

- ▶ Know 'Nisab', both in 'tola' and gram, on which 'Zakat' is due.
- ▶ Know the rate of Zakat.
- ▶ Calculate amount of Zakat in respect of assets owned by a person.
- ▶ Know the rate of 'Ushr' levied on land-owner/land-holder in respect of produce of the land.
- ▶ Calculate amount of Ushr in respect of produce of land.
- ▶ Solve real life problems involving Zakat and Ushr.
- ▶ Know the ratio of shares among legal inheritors of a property.
- ▶ Calculate amount of share of each legal inheritor of a property.

2.1 ZAKAT

Zakat is one of the five basic pillars of Islam. Zakat is a "trans/ repayment" which Sahib-e-Nisab Muslims pay at given rate by themselves or through the Islamic state to the poor and the needy in or after the month of Rajab.

2.1.1 Nisab

A Muslim who owns and keeps in his / her possession at least 7.5 tola (86.1562 gm) gold or 52.5 tola (603gm) silver or cash money to the equivalent value for one year is considered as Sahib-e-Nisab Muslim. He is required to pay Zakat at the prescribed rates given in Quran and Hadith.

Zakat is paid from two types of wealth i.e exposed and unexposed wealth.

Exposed wealth includes agricultural goods, camels, sheep, goats, minerals, business inventories etc, whereas unexposed wealth includes gold, silver, cash money, liquid assets etc.

2.1.2 Rate of Zakat

Zakat is paid from the exposed or unexposed wealth by a Sahib-e-Nisab Muslim. The rate of Zakat is 2.5% or $\frac{1}{40}$ of the total value of the goods or cash amount.

However capital goods like machinery equipment, raw material, factory building etc. are exempted from Zakat.

EXAMPLE-1

Calculate the amount of Zakat on an amount of Rs.5,00,000.

SOLUTION:

$$\text{Amount} = \text{Rs. } 5,00,000$$

$$\text{Rate of Zakat} = 2.5\%$$

$$\begin{aligned} &= 2.5 \times \frac{1}{100} = \frac{25}{10} \times \frac{1}{100} \\ &= \frac{25}{1000} \end{aligned}$$

$$\begin{aligned}
 \text{Amount of Zakat} &= \text{Rs.} \frac{25}{1000} \times 5,00,000 \\
 &= \text{Rs.} 25 \times 500 \\
 &= \text{Rs.} 12,500
 \end{aligned}$$

EXAMPLE-2

Calculate the amount of Zakat on an amount of Rs.3,00,000, gold of weight 40 grams and silver of weight 500 grams, where as the rate of gold is Rs.3500 per gram and the rate of silver is Rs.400 per gram.

SOLUTION: Cash amount = Rs. 3,00,000 (i)

Weight of gold = 40 grams

Rate of gold per gram = Rs. 3500

Amount of 40 grams of gold = Rs.3500 × 40
= Rs.1,40,000(ii)

Weight of silver = 500 grams

Rate of silver per gram = Rs. 400

Amount of 500 grams of silver = Rs.400 × 500
= Rs.2,00,000(iii)

From (i), (ii) and (iii)

Total amount on which Zakat is to be deducted is Rs.3,00,000 + Rs.1,40,000 + Rs.2,00,000 = Rs.6,40,000.

Rate of Zakat = 2.5 %

$$\begin{aligned}
 \text{Zakat on Rs.6,40,000} &= \text{Rs.} 6,40,000 \times \frac{2.5}{100} \\
 &= \text{Rs.} \frac{25 \times 6,40,000}{1000} \\
 &= \text{Rs.} 25 \times 640 \\
 &= \text{Rs.} 16,000
 \end{aligned}$$

2.2 USHR

Ushr is paid at the rate of 10 % from the agricultural products of the land which is irrigated by natural resources. However the rate of Ushr is 5 % on the agriculture products of the land which is irrigated by artificial sources, that is canals, tube-wells etc.

EXAMPLE-1

If the wheat crop is produced 40000kg by natural resources, calculate the amount of Ushr, if the price of wheat is Rs.950 per 40kg.

SOLUTION:

$$\begin{aligned} \text{Weight of wheat} &= 40,000\text{kg.} \\ \text{Price of 40 kg wheat} &= \text{Rs.}950 \\ \text{Price of 1 kg wheat} &= \text{Rs.} \frac{950}{40} \\ \text{Price of 40,000kg wheat} &= \text{Rs.} 40000 \times \frac{950}{40} \\ &= \text{Rs.} 1000 \times 950 \\ &= \text{Rs.} 9,50,000 \\ \text{Amount of Ushr} &= \text{Rs.} \frac{10}{100} \times 9,50,000 \\ &= \text{Rs.} 95,000 \end{aligned}$$

EXAMPLE-2

Calculate the amount of Ushr on a rice crop of weight 3000kg produced by artificial sources, if the price of 40 kg rice is Rs.2000.

SOLUTION:

$$\begin{aligned} \text{Weight of rice crop} &= 3000\text{kg} \\ \text{Price of 1 kg rice} &= \text{Rs.} \frac{2000}{40} \\ &= \text{Rs.} 50 \\ \text{Price of 3000 kg rice} &= 3000 \times 50 \\ &= \text{Rs.} 1,50,000 \\ \text{Amount of Ushr} &= \frac{5}{100} \times 1,50,000 \\ &= \text{Rs.} 7500 \end{aligned}$$

2.3 INHERITANCE

When a person dies, then the assets left by that person are called inheritance, and it is distributed among his / her legal heirs. The principles of distribution of inheritance are given very clearly in Islam.

The following amounts are paid before distributing inheritance among heirs.

- 1- Payment of funeral expenses.
- 2- Payment of his / her debts.
- 3- Execution of his / her will.

2.3.1 Ratio of Shares Among Legal Inheritors of a Property

Firstly we determine which of the relatives of the deceased are entitled to inherit and secondly to determine the share of each heir.

In Islam there are total of twelve relations who inherit as legal heirs. We discuss ten of these in the following.

- 1- In case the husband dies, the share of the wife (widow) is one quarter $\left(\frac{1}{4}\right)$ in the absence of a child or agnatic* grandchild.
- 2- One eighth $\left(\frac{1}{8}\right)$ in the presence of a child or agnatic grandchild.
- 3- Two or more wives share equally in this prescribed share.
- 4- A son inherits a share equivalent to that of two daughters, i.e a brother inherits twice as much as a sister.
- 5- A grand son inherits twice as much as grand daughter and so on.

*Agnatic is from Agnate, which means, related on the father's side or through a male ancestor.

- 6- If the daughters are two or more than two, then for them two third of the inheritance.
- 7- If there is only a single daughter or agnatic grand daughter her share is a fixed one half.
- 8- Two or more daughters will totally exclude any grand daughter.
- 9- If there is one daughter and agnatic grand daughter, the daughter inherits one half $\left(\frac{1}{2}\right)$ share and the agnatic grand daughters inherit the remaining one sixth $\left(\frac{1}{6}\right)$, then making a total two third.
- 10- The husband inherits one half of the inheritance in case the wife dies.

Remember That:

Distribution of remaining inheritance amongst the heirs according to Sharia is one of the four duties to be performed when a Muslim dies.

2.3.2 Calculate Amount of Share of Each Legal Inheritor of a Property

Let us calculate the amount of share of each legal inheritor with the help of following examples:

EXAMPLE-1

A person left a property of worth Rs. 24,00,000. Calculate the amount of share of his wife, a son and a daughter.

SOLUTION: Amount of property = Rs. 24,00,000

$$\text{Wife's share} = \frac{1}{8} \times 24,00,000$$

$$= \text{Rs. } 3,00,000$$

$$\text{Remaining amount} = \text{Rs. } 24,00,000 - 3,00,000$$

$$= \text{Rs. } 21,00,000$$

$$\text{Ratio of son's share to the daughter} = 2 : 1$$

$$\text{Sum of the ratios} = 2 + 1$$

$$= 3$$

$$\text{Therefore daughter's share} = \text{Rs. } 21,00,000 \times \frac{1}{3}$$

$$= \text{Rs. } 7,00,000$$

$$\text{Son's share} = 2 \times 7,00,000$$

$$= \text{Rs. } 14,00,000$$

EXAMPLE-2

A person left a property amounting Rs. 30,00,000. Calculate the amount of his wife, if he had not any child.

SOLUTION: Amount of property = Rs. 30,00,000

$$\text{Wife's share} = 30,00,000 \times \frac{1}{4}$$

$$= \text{Rs. } 7,50,000$$

EXAMPLE-3

The amount of a property left by a deceased person is to be distributed among his daughters Rs. 3,30,000. If he had left three daughters only, what would be the share of each daughter?

SOLUTION:

Amount left by deceased person = Rs. 3,30,000

$$\text{Daughter's share} = 3,30,000 \times \frac{2}{3}$$

$$= \text{Rs. } 1,10,000 \times 2$$

$$= \text{Rs. } 2,20,000$$

$$\text{Share of each daughter} = 2,20,000 \times \frac{1}{3}$$

$$= \text{Rs. } 7,33,33.33$$

EXAMPLE-4

If a deceased person left a widow, a son and two daughters, calculate the share of each, if the wealth left by him amounts to Rs. 48,00,000.

SOLUTION: Amount of wealth left = Rs. 48,00,000

$$\begin{aligned}\text{Widow's share} &= 48,00,000 \times \frac{1}{8} \\ &= \text{Rs. } 6,00,000\end{aligned}$$

$$\begin{aligned}\text{Remaining amount} &= 48,00,000 - 6,00,000 \\ &= \text{Rs. } 42,00,000\end{aligned}$$

$$\text{Ratio of son and daughters share} = 2 : 1 : 1$$

$$\begin{aligned}\text{Sum of the ratios} &= 2 + 1 + 1 \\ &= 4\end{aligned}$$

$$\begin{aligned}\text{Son's share} &= \frac{2}{4} \times 42,00,000 \\ &= \text{Rs. } 2 \times 10,50,000 \\ &= \text{Rs. } 21,00,000\end{aligned}$$

$$\begin{aligned}\text{Share of each daughter} &= \frac{1}{4} \times 42,00,000 \\ &= \text{Rs. } 10,50,000\end{aligned}$$

EXERCISE - 2.1

- 1- Calculate Zakat on gold amounting to Rs. 11,10,000.
- 2- Calculate Zakat on silver amounting to Rs. 3,00,000.
- 3- Calculate the amount of Zakat on 10 tola gold and 40 tola silver, if the rate of gold is Rs. 40,000 per tola and the rate of silver is Rs. 5000 per tola.
- 4- Calculate Zakat on gold of worth Rs. 8,00,000, cash of amount Rs. 4,00,000 and silver of weight 50 tola (Rs. 5000 per tola).
- 5- Calculate Ushr on a rice crop produced by natural resources amounting to Rs. 6,00,000.

- 6- Calculate Ushr on a wheat crop amounting to Rs. 3,50,000 produced by artificial resources.
- 7- Work out the share of each, if the inherited property amounting to Rs. 7,50,000 is left by a deceased, who also left a widow, two son's and one daughter.
- 8- An amount of Rs. 4,00,000 left as an inheritance is to be distributed among a widow and four daughters. Work out the share of each.
- 9- If a deceased left a property of worth Rs. 15,00,000, workout the property, if he left behind a widow
- 10- The inherited property amounting to Rs. 20,00,000 is left by a deceased. He left behind a widow and two son's. Workout the share of each.
- 11- Asghar left a property of worth Rs. 4,80,000. He left behind a widow, three sons and four daughters. Calculate the share of each one.
- 12- Najeeb left a wealth amounting to Rs. 4,00,000. He left behind a widow, while they did not have any child. Find the share of Najeeb's widow.

Review Exercise-2

1- Encircle the correct answer.

(i) Zakat is deducted at a rate of:

- (a) 2.5 % (b) 3.5 % (c) 4.5 % (d) 5.5 %

(ii) On a crop produced on natural resources, Ushr is deducted at a rate of:

- (a) 2.5 % (b) 5 % (c) 10 % (d) 20 %

(iii) On a crop produced on artificial resources Ushr is deducted at the rate of

- (a) 5% (b) 10% (c) 2.5% (d) 25%

(iv) Zakat on an amount of Rs.100,000 is:

- (a) 2500 (b) 25000 (c) 2000 (d) 15000

(v) Ushr on a wheat crop produced on natural resources amounting Rs.1,50,000 is:

- (a) 10,000 (b) 5000 (c) 15000 (d) 20000

(vi) The share of a widow in inherited property is:

- (a) $\frac{1}{4}$ (b) $\frac{1}{8}$ (c) $\frac{1}{3}$ (d) $\frac{1}{2}$

(vii) The share of a widow in the presence of a child or agnatic grand child is:

- (a) $\frac{1}{4}$ (b) $\frac{1}{8}$ (c) $\frac{1}{2}$ (d) $\frac{1}{6}$

(viii) If there is only a single daughter or an agnatic grand daughter, her share is fixed:

- (a) $\frac{1}{4}$ (b) $\frac{1}{6}$ (c) $\frac{1}{2}$ (d) $\frac{1}{8}$

(ix) If there are two or more than two daughters or one agnatic grand daughter then their share is:

- (a) $\frac{2}{3}$ (b) $\frac{1}{4}$ (c) $\frac{1}{2}$ (d) $\frac{1}{8}$

(x) If there is one daughter and agnatic grand-daughters, their share are respectively:

- (a) $\frac{1}{2}, \frac{1}{6}$ (b) $\frac{1}{2}, \frac{1}{3}$ (c) $\frac{1}{2}, \frac{1}{4}$ (d) $\frac{1}{2}, \frac{1}{8}$

2- Fill in the blanks.

- (i) Zakat is deducted at a rate of _____.
- (ii) On a crop produced on natural resources Ushr is deducted at a rate of _____.
- (iii) On a crop produced on artificial resources Ushr is deducted at a rate of _____.
- (iv) Zakat on an amount of Rs.2,00,000 is _____.
- (v) Ushr at a rate of 10 % on amount of Rs.1,00,000 is _____.
- (vi) In an inherited property the share of a widow is _____.
- (vii) In an inherited property the share of a widow in case of no child is _____.
- (viii) If there only a single daughter then her share in inherited property is _____.
- (ix) The share of son and daughter in an inherited property is in the ratio _____.
- (x) If there are two or more than two daughters, then their share in an inherited property is _____.
- 3- Calculate Zakat on gold amounting Rs.15,00,000.**
- 4- Calculate Ushr on a rice crop amounting Rs.4,90,000 produced by artificial resources.**
- 5- A deceased left a property of worth Rs.45,00,000 . If he left behind a widow and two sons, work out the share of each.**
- 6- Akram left a property of worth Rs.48,00,000. He left behind a widow, three sons and four daughters. Calculate the share of each.**

SUMMARY

- ✦ Zakat is one of the five basic pillars of Islam. Zakat is a "trans/repayment" which Sahib-e-Nisab Muslims pay at given rate by themselves or through the Islamic state to the poor and the needy once in a year.
- ✦ A Muslim who owns and keeps in his / her possession at least 7.5 tola (86.1562 gm) gold or 52.5 tola (603gm) silver or cash money to the equivalent value for one year is considered a Sahib-e-Nisab Muslim.
- ✦ Exposed wealth includes agriculture goods, camels, sheep, goats, minerals, business inventories etc.
- ✦ Unexposed wealth includes gold, silver, cash money, liquid assets etc.
- ✦ Rate of Zakat is 2.5 % of the total value of the goods or money.
- ✦ Ushr is a tax paid at the rate of 10 % from agriculture products of land which is irrigated by natural resources and 5 % by artificial.
- ✦ When a person dies, then the assets left by that person are called inheritance.