

Ruling Regarding Larger Profit Share For Working Partner

Ref: IEC.0134

Date:03-01-24

What do the Islamic scholars say about the following: We are two friends. We want to enter into a partnership, both will contribute equal amounts of money, but only one friend will do the work. The question is, can we allocate a larger share of the profit to the working partner?

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

الجواب بعون الملک الوهاب اللہم ہدایۃ الحق والصواب

It is permissible to allocate a greater share of the profit to the working partner in proportion to his capital. However, the principle regarding loss is that any loss incurred must be borne by each partner according to the percentage of their respective capital contribution.

It has been mentioned in Fatawa Aalamgiri:

”لو كان المال منہما فی شركة العنان والعمل علی احدہما۔۔ ان شرط الربح للعامل اکثر من راس ماله جاز علی الشرط“

Translation: In Shirkah-Tul-Enan (شركة العنان), if they decided that both will contribute in capital but only one partner will work, so if they stipulate a greater share for working partner in proportion to the ratio of working partner's contribution in capital, it will be permissible.

(Fatawa Aalamgiri, Vol 02, page 336, Beirut)

It has been stated in the book Bahar-e-Shariat:

”اگر دونوں نے اس طرح شرکت کی کہ مال دونوں کا ہو گا مگر کام فقط ایک ہی کرے گا اور نفع دونوں لیں

گے اور نفع کی تقسیم مال کے حساب سے ہوگی یا برابر لیں گے یا کام کرنے والے کو زیادہ ملے گا تو جائز ہے۔“

Translation: If two individuals enter in a partnership and both of them invest in it and decide that only one individual will work, both will share the profit and the profit will be shared according to the ratio of investment or it will be equal or the one who works will receives a greater share, (all these scenarios) are permissible.

(Bahar-e-Shariat, Vol.2, Page 499, Maktabah-tul-Madinah)

While mentioning the ruling pertaining to loss in case of partnership, Mufti Amjad Ali Azami عليه الرحمة writes in his book Bahar-e-Shariat:

”نقصان جو کچھ ہو گا وہ اس المال کے حساب سے ہو گا، اس کے خلاف شرط کرنا باطل ہے مثلاً دونوں کے روپے برابر برابر ہیں اور شرط یہ کی کہ جو کچھ نقصان ہو گا اس کی تہائی فلاں کے ذمہ اور دو تہائیاں فلاں کے ذمہ، یہ شرط باطل ہے۔ اور اس صورت میں دونوں کے ذمہ نقصان برابر ہو گا۔“

Translation: When a loss incurs, it will be shared according to the ratio of capital and specifying any ratio other than this will be void for example two individuals have invested an equal number of rupees but it was decided that if a loss incurs so and so will bear only a one third and the other will bear two third, this condition will be void and the loss will be borne equally.

(Bahar-e-Shariat, Vol.2, Page 491, Maktabah-tul-Madinah)

واللہ اعلم عزوجل ورسوله اعلم صلی اللہ تعالیٰ علیہ وآلہ وسلم

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20th Jumad-ul-Ukhra, 1445 Hijri/ 3rd January, 2024

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