

Mudarabah in Animals

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What do Islamic scholars say concerning Mudarabah in Animals? I have only money and rest of the things will be on my partner. We will sell the animals and share the profit equally.

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ
الجواب بعون الملك الوهاب اللهم هداية الحق والصواب

According to Shariah principles, it is permissible to do Mudarabah (Profit-Sharing contract) for animal trading. However, it is important to note that the invested capital must be in the form of cash. You must not buy and give animal to the Mudharib (the working-partner) rather you should give him cash and he himself will buy animals with the money you will provide to him. Also, he will spend, for looking after the animals and for other essentials expenses, only your money. Then, the animals will be sold and first of all your invested money will be separated. The remaining amount will be counted profit and that profit will be divided equally between the partners as per agreed shares.

Also, note a Shariah rule in case you suffer a loss. If a loss occurs without any negligence on the part of the working partner, it will be covered from the profit and if it exceeds the profit, then the financial loss will be borne by the owner of the capital and the working partner's labor will go in vain.

The capital for Mudharabah must be from the category of Saman (money) as it has been mentioned in the book Badayus Sanay:

” (منها) أن يكون رأس المال من الدراهم أو الدينار “

Translation: one of the conditions (for Mudarabah) is that the capital must be from the category of Dirham and Dinar

(Badayus Sanay, Vol 6, Page 82, Darul Kutub Al-ilmiyah, Beirut)

It has been mentioned in the book Durrul Mukhtar:

” (ويأخذ المالك قدر ما انفق المضارب من رأس المال ان كان ثمة ربح، فان استوفاه وفضل شيء) من الربح (اقتسماه) على الشرط، لان ما انفقه يجعل كالهالك، والهالك يصرف الى الربح كما مر. (وان لم يظهر ربح فلا شيء عليه) اي المضارب “

Translation: If Mudarabah has generated profit, the owner will take back the amount of money spent from the capital by the working partner. After having completed the capital, they will divide the remaining amount which is actually profit, between themselves according to the agreed-upon percentage. And it is so because whatever amount of capital is spent, is like perished amount and it has been mentioned earlier that the perished amount will be covered from the profit. And in case of no profit, there is nothing on Mudarib (Working-Partner)

(Ad-Durrul Mukhtar Mah Raddul Muhtar, Vol 8, Page 517, Beirut)

Imam Ahle-Sunnat Imam Ahmed Raza Khan writes:

” مضارب کے ذمہ نقصان کی شرط باطل ہے، وہ اپنی تعدی و دست درازی و تضييع کے سوا کسی نقصان کا ذمہ دار

نہیں، جو نقصان واقع ہو سب صاحب مال کی طرف رہے گا۔ “

Translation: The condition that the loss will be borne by the Mudarib is void. He will not be responsible for any loss unless he transgresses, crosses his limits and wastes. Any loss that occurs will be borne by the owner of the capital.

(Fatawa Razaviyyah, Vol 19, Page 131, Raza Foundation, Lahore)

It has been mentioned in Bahar-e-Shariat:

”جو کچھ نفع ہو پہلے اس سے وہ اخراجات پورے کیے جائیں گے جو مضارب نے راس المال سے کیے ہیں، جب راس المال کی مقدار پوری ہوگئی، اُس کے بعد کچھ نفع بچا، تو اُسے دونوں حسب شرائط تقسیم کر لیں اور نفع کچھ نہیں ہے تو کچھ نہیں۔“

Translation: Any profit that is earned will first be used to cover the expenses incurred by the Mudarib from the principal amount (رأس المال). Once the principal is fully recovered, if any profit remains, it will be divided between both parties according to the agreed conditions. If there is no profit, then there is nothing to divide.

(Bahar-e-Shariat, Vol 03, Page 25, Maktabah-Tul-Madinah, Karachi)

Note: To obtain more basic information about Mudarabah, please refer to the brief pamphlet 'Mudarabah and its Essential Rulings' available on the IEC website. This pamphlet can be downloaded from the following link.

https://www.daruliftaahlesunnat.net/fatawa_tasheer/ur/1088

والله اعلم عز وجل ورسوله اعلم صلى الله تعالى عليه وآله وسلم

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