

Increasing Price Due To Increase In Costs After Finalization Of Deal?

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What do the Islamic scholars say about the following matter? Two years ago, I booked a flat in an under-construction building for 6.3 million rupees and paid some amount in advance. Now, the prices of cement and steel have significantly increased, because of it the builder (has increased the price and) is demanding more money. Is it permissible for the builder to demand more money after the deal has been finalized?

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ
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In the situation mentioned, it is not permissible for the builder to demand more money after the deal has been finalized.

The detailed ruling is as follows: Booking a flat in an under-construction building falls under the category of "Istisna' Sale" (contract to manufacture goods). According to the Mufta bihi Qawl (i.e. the opinion selected for Fatwa), an Istisna' Sale becomes binding at the time of the agreement, and neither party—buyer nor seller—can unilaterally retract from the agreement. Therefore, in the present case, once a price has been agreed upon at

the time of the sale, it becomes the builder's responsibility to deliver the flat in exchange for the agreed price. Because, according to Shariah, the builder does not have the right to unilaterally increase the price. However, if both parties mutually agree to cancel the original contract and make a new agreement, they may set a new price through mutual consent.

It is stated in Hidaya:

“اذا حصل الايجاب والقبول لزم البيع، ولا خيار لواحد منهما”

Translation: When the offer and acceptance are complete, the sale becomes binding, and neither party has the option to retract unilaterally.

(Al-Hidaya with Binaaya, Vol. 8, p. 11, Beirut)

Regarding the binding nature of Istisna' Sale from its inception, it is stated in Tabyin- ul-Haqaiq:

“وعن ابي يوسف انه لا خيار لواحد منهما”

Translation: It has been narrated by Imam Abu Yusuf that neither party has the right to retract after the sale agreement is finalized.

(Tabyin-ul-Haqaiq, Vol. 4, p. 124, Egypt)

A question was posed to Imam-e-Ahle-Sunnat Ahmad Raza Khan (رحمة الله عليه) about whether the seller can retract from an agreement due to an increase in the cost of goods after the deal is finalized. He replied:

”بيع ايجاب وقبول سے تمام ہو جاتی ہے، اور جب بیع صحیح شرعی واقع ہو لے تو اس کے بعد بائع یا مشتری

کسی کو بے رضامندی دوسرے کے، اس سے یوں پھر جاننا روا نہیں، نہ اس کے پھرنے سے وہ معاہدہ جو مکمل ہو چکا، ٹوٹ سکتا ہے، زید پر لازم ہے کہ مال فروخت شدہ تمام وکمال خریدار کو دے۔“

Translation: Sale is completed with offer and acceptance. Once a valid Shari'ah-compliant sale occurs, neither the seller nor the buyer can retract unilaterally without the other's consent and even if one of them retracts, it cannot cancel the finalized deal. Zaid (the seller) is obligated to deliver the sold item to the buyer in full.

(Fatawa Razawiyyah, Vol. 17, p. 87, Raza Foundation, Lahore)

In Bahar-e-Shariat, it is stated:

”جب ایجاب و قبول دونوں ہو چکے تو بیع تمام و لازم ہو گئی۔ اب کسی کو دوسرے کی رضامندی کے بغیر رد کر دینے کا اختیار نہ رہا۔“

Translation: Once both offer and acceptance have been completed, the sale becomes complete and binding, and neither party has the right to cancel it unilaterally without the consent of other.

(Bahar-e-Shariat, Vol. 2, p. 622, Maktaba-tul-Madina, Karachi)

واللہ اعلم عزوجل ورسولہ اعلم صلی اللہ تعالیٰ علیہ وآلہ وسلم

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