

## Ruling On Imposing The Loss On The Borrower Due To Late Repayment

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What do the noble scholars say regarding this matter: Three months ago, the mother of a friend of mine borrowed 1.5 million rupees from me, explaining that she had ordered some machines at a discount for her business operations and was in urgent need of 1.5 million rupees. She said, “Please lend us this amount; you can keep the file of our flat as security, which is worth 4.5 million. If you want, you may take the flat and pay the remaining amount to the builder.”

To this, I clearly refused and said that I have nothing to do with the flat. “I am giving you the money, and after three months, I will take back only the principal amount.” I did not keep any file or anything else as security. Then she said, “Alright, we will give you something extra as a gift like sweets when repaying after three months.” (The amount of profit was not fixed so that it may not fall into the category of interest.)

When the time of repayment approached, I sent a message asking if I would receive the money on time. I was assured that it would be repaid at the agreed time. Based on that assurance, I entered into a deal for a plot and paid one lakh rupees as a token amount. However, when I demanded my money on the due date, they asked for one more month and did not repay the

amount, due to which my token money was lost.

I said to them, “You should compensate me for the amount I lost because of you.” They responded, “That would fall under interest. You should avoid this and not drag us into interest-based dealings either.”

My questions are:

- Would this entire matter fall under interest?
- Would any amount they give me willingly, without me demanding, also count as interest?
- Can I demand something else instead of money — for example, a motorbike or other items?
- Note: They took the money from me to purchase machinery for their parlor and gym at a 50% discount. So, would it be permissible for me to have a share in the profit they gained?

Please guide me.

بسم الله الرحمن الرحيم  
الجواب بعون الملك الوهاب اللهم هداية الحق والصواب

In the asked scenario, the lender is only permitted to take back the exact amount he lent, i.e., 1.5 million rupees. Any additional money or item, of any kind, taken beyond that is impermissible and ḥaram. Whether it is for compensation of the lost token amount, or whether in the form of an item like a motorbike, or as a profit share in the borrower’s business — all such gain stemming from the loan is considered ḥaram and interest.

As for the borrower offering any additional money on her own, this too is not permissible to accept, because it was originally made conditional when taking the loan, as she had

said, “we will give you some profit as a gift when repaying after three months.” Thus, the extra amount is conditional on the loan, and any conditional gain arising from a loan is ḥaram and riba (interest).

**Note:** It should also be remembered that in such transactions, where a plot is bought or sold, sometimes token money is forfeited, this too is impermissible and a clear form of oppression. The person who received the token money is obligated to return it.

About the prohibition of riba, the Qur’an says:

﴿وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا﴾

Translation: And Allah has permitted trade and forbidden interest. (Surah Al-Baqarah, Ayah 275)

Any profit that is conditional upon a loan is ḥaram, as stated in the Hadith:

"كل قرض جرم منفعة فهو ربا"

Translation: Any loan which draws benefit is interest."

(Kanz-ul-'Ummāl, Ḥadīth 15516, Volume 6, Page 238, Beirut)

It is narrated in Ṣaḥīḥ Muslim:

"عن جابر رضي الله تعالى عنه قال: لعن رسول الله صلى الله عليه وسلم آكل الربا وموكله وكاتبه وشاهديه"

Translation: Sayyiduna Jabir (رضي الله تعالى عنه) reports that the Messenger of Allah (صلى الله عليه وسلم) cursed the one who consumes interest, the one who pays it, the one who writes the contract, and the two witnesses.

(Ṣaḥīḥ Muslim, Kitāb al-Buyū‘, Bāb al-Ribā, Volume 2, Page 27, Karachi Edition)

In Durr-ul-Mukhtar, it is written:

"كل قرض جرنفعاً حرام"

Translation: Any loan that generates benefit is haram.

(Durr-ul-Mukhtar, Volume 7, Page 413, Dār al-Fikr, Beirut)

‘Allāmah Ibn ‘Ābidīn Shāmī (رحمة الله عليه) writes under this in Radd-ul-Muhtar:

"اذا كان مشروطاً"

Translation: when the benefit is conditional.

(Radd-ul-Muhtar, Volume 7, Page 413, Dār al-Fikr, Beirut)

Sayyidi Ala Ḥadrat Imam-e-Ahle-Sunnat Imam Aḥmad Raza Khan (رحمة الله عليه) states in Fatawa Razaviyya regarding profit on a loan:

”قطعاً سود اور یقینی حرام و گناہ کبیرہ و خبیث و مردار ہے۔“

Translation: “A clear form of interest, undoubtedly haram, a major sin, vile and impure like carrion.”

(Fatawa Razaviyya, Volume 17, Page 269, Raza Foundation, Lahore)

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

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