



التجارة الرابحة

The Basic
PRINCIPLES
of a
PARTNERSHIP





التجارة السليمة

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of a
PARTNERSHIP



The Basic Principles of a Partnership

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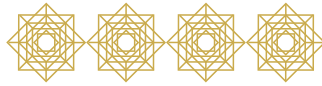
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Amirul Mumineen Maulana Ali b. Abi Talib ^{AS} states

الفقه ثم المتجر فان من باع واشترى ولم يسأل عن حرام
ولا حلال امرتطم في الربا ثم امرتطم

[understand] the laws of shariat, then engage in commerce. A person who buys or sells without first asking about halal and haram, will, inevitably, become mired in interest and remain entrenched in it.



Before engaging in any economic activity, a Mumin needs to first **understand the principles of shariat mohammediyah**. This document outlines the guiding principles of partnerships based on the tenets and canons found in Baab al-Buyoo´ of Da´aim al-Islam (Vol. 2) and Mukhtasar al-Aathaar (Vol. 2), both composed by al-Dai al-Ajal Syedna al-Qadi al-Noman ^{RA} and from the various mandates of al-Dai al-Ajal Syedna Mohammed Burhanuddin ^{RA} and al-Dai al-Ajal Syedna Mufaddal Saifuddin ^{TUS} on ethical behavior in economic activities.

The intent behind these guidelines is for readers to use them as a basis to form and maintain valid and ethical partnerships founded on consent, respect, and transparency between all parties involved and to draft shariat compliant written agreements.

Partnerships According To Shariat Mohammediyah

A partnership is an agreement formed between two or more individuals to pool their money, skills or other resources with the intent to share in the profit and loss of a particular venture.

There are two types of partnerships described in Dawat texts.

1. Mushaarakat

A partnership that involves the investment of capital by all partners, with equity (ownership) proportional to the amount of capital invested by the partners.¹

2. Mudaarabat

A partnership where one party provides capital to another non-investing party for a particular venture. Both parties share in the profit earned from the venture.² Loss, however, is borne on the capital investment only.

Note: Al-Dai al-Ajal Syedna al-Qadi al-Noman ^{RA}, in Daaim al-Islam vol. 2 (Zikr al-Shirkat), states that the ideal form of a partnership is the when two men agree to become partners. They both invest equal amounts of capital, and that capital is combined so that it becomes one, to the extent that [the original capital] one cannot be distinguished one from the other. They may buy and sell in any line of trade; whatever they earn in profit is distributed proportionally amongst them and whatever the loss incurred is upon them equally. No one partner can buy or sell without the other partner's consent and unless an agreement has been made for that.³

¹ Al-Dai al-Ajal Syedna al-Qadi al-Noman ^{RA}, Mukhtasar al-Aathaar vol. 2 (Mumbai: Aljamea-tus-Saifiyah Press, 1426 AH/2005 AD), 89

² Al-Dai al-Ajal Syedna al-Qadi al-Noman ^{RA}, Da'aim al-Islam vol. 2 (Beirut: Mu'assasah al-Noor Press, 1426 AH/2005 AD), 48

³ Al-Dai al-Ajal Syedna al-Qadi al-Noman ^{RA}, Da'aim al-Islam vol. 2, 48

Partners and Mutual Agreement

- 1.1. A partnership is the relation between persons by contract who have agreed to share in the profits and loss of a business carried on by all or any of them acting for all. The partnership refers to the **relationship** of all partners **collectively**.
- 1.2. All decisions regarding the formation of a partnership and operation of the firm or venture should be made by **mutual agreement** and **free will**.⁴ Parties entering into a partnership should be baaligh and of sound mind.

Note: A partnership is formed by contract or agreement only and the relation of partnership arises from contract and not from status. A family member who is not by agreement a member of the firm is not considered a partner and does not share in the rights and authorities of partners.

Example: Fakhri Fasteners, a small-scale manufacturer of precision safety valves for 25 years, is owned by two cousins, Taher and Shabbar. Taher's younger brother Husain also works as part of the product development division in the firm. Although Husain has been working for the firm for 7 years, no agreement has been made formally by Shabbar and Taher to add Husain as a partner to the firm. Until a formal agreement is made, Husain is still considered an employee of the firm and doesn't share any of the rights of the partners, including profit-sharing or taking key business decisions reserved for partners.

- 1.3. Partners should maintain a **good working relationship** with each other and maintain trust and transparency during the partnership.

⁴ Al-Dai al-Ajal Syedna Aali Qadr Mufaddal Saifuddin ^{TUS}, Ashara Mubarak M6 1438 H

Formation, Raza and Registration

- 2.1. As best practice, partners should discuss and present all information regarding the nature of the venture **prior to formation**.
- Note: Preparing a feasibility study or a business plan can serve this purpose.*
- 2.2. To **maintain a healthy working relationship** and **avoid unnecessary disputes**, a **partnership agreement** between partners should be drafted describing the partners, the firm, the venture and all the terms and conditions agreed upon. At minimum, the draft could include the following:
1. Name of Partners, Name of Firm, and The Type of Venture
 2. Capital Investment by Partners
 3. Profit-Sharing Ratios
 4. Working Terms
 5. Dissolution and Dispute Resolution Terms
- 2.3. **Raza Mubarak** (permission) should be obtained from the **53rd al-Dai al-Mutlaq** before engaging in any economic activity, including the forming of partnerships.⁵
- 2.4. According to the law of the land, partnerships should be registered with the concerned government authorities.

⁵ Al-Dai al-Ajal Syedna Aali Qadr Mufaddal Saifuddin ^{TUS}, Ziyaafat Jam'iyat al-Tujjaar (Dubai)

Permissible Practices

- 3.1. Any business venture is **only valid** if the partners involved plan to do a business free from any sort of riba (interest), deception, dishonesty, fraud, gambling, or any other unethical elements.⁶
- 3.2. The partnership should not directly or indirectly lead to the physical, financial, social or spiritual harm of either an individual or society.⁷
- 3.3. All conditions of the partnership should be **within the confines** of **al-Quran al-Majeed** and **Shariat**.⁸
- 3.4. The partnership should **adhere** to the governing laws of the nation in which it operates.⁹

⁶ Al-Dai al-Ajal Syedna al-Qadi al-Noman ^{RA}, *Da'aim al-Islam* vol. 2, 5-19

⁷ Ibid., 49

⁸ Ibid.

⁹ Al-Dai al-Ajal Syedna Aali Qadr Mufaddal Saifuddin ^{TUS}, *Ziyaafat Jam' iyyat al-Tujjaar* (Dubai)

Share of Ownership And Capital Investment

- 4.1. The amount of Initial capital contributed by each partner should be **clearly specified** at the time of formation.¹⁰
- 4.2. Any capital invested into a partnership is owned and **utilized jointly** by the partnership without bias or classification of specific ownership.¹¹

Note: An example for clarification is the mixing of water, where after mixing, all the components become one without distinction.

- 4.3. Debt of any kind cannot be converted into an investment for partnership. The debt must be repaid as is.¹²

Example: Huzefa has taken Qardan Hasana from Adnan of Rs. 350,000. Huzefa uses the Qardan and decides to start a small consultancy firm in the name of Noor Consultancy. A few months later, Huzefa's company is very profitable so Adnan tells Huzefa to convert the Qardan into an investment with profit-sharing of 30%. This is prohibited and Huzefa must repay the Qardan of Rs. 350,000 to Adnan before he can Invest with him

- 4.4. The ratio or share of ownership for each partner is **proportional** to their capital investment in the partnership.
- 4.5. There should be an agreement on whether partners may invest additional capital, withdraw capital, and the limits to which they may do so.
- 4.6. The amount of capital added or subtracted by partners should always be **specified** and **recorded** since it could change the ratio or share of ownership of each partner.

Note: When capital is added or subtracted, it is prudent to also discuss any changes in the profit sharing ratio if it applies.

¹⁰ Al-Dai al-Ajal Syedna al-Qadi al-Noman ^{RA}, *Mukhtasar al-Aathaar* vol. 2, 89

¹¹ Ibid., 48

¹² Ibid., 93

Sharing of Profit and Loss

- 5.1. **Profit may be distributed amongst partners according to any ratio agreed upon.** It does not need to match the investment or ownership ratio of the partners.¹³

Example: Mohammed invests Rs. 30,000 and Shabbir invests Rs. 70,000 in starting a new hardware shop named Raj Enterprises - so the investment ratio is 30:70. Mohammed also gives more time to running the firm so both partners agree to a profit sharing ratio of 50:50.

- 5.2. It is prohibited for any partner to receive a guaranteed or fixed profit: a profit that has no connection to the profitability of the venture. A fixed or guaranteed profit is considered a form of ribaa' (interest).¹⁴

Example: Ahmed invests Rs. 100,000 into a paper manufacturing unit named Babji Papers - owned and operated by Idris. Both partners agree that Ahmed will receive a fixed return of Rs. 10,000 per month, regardless of the profit and loss posted by the unit itself. This type of return is strictly prohibited and the agreement is invalid.

- 5.3. **Profit earned from the venture should be calculated first and then distributed among partners according to the profit-sharing ratio agreed upon.**

Example: After reviewing the profit and loss of Raj Enterprises at the end of the year, the partners find that the firm has earned a net profit of Rs. 200,000. Based on their profit sharing ratio of 50:50, both partners are eligible to draw profits of upto Rs. 100,000 each.

- 5.4. **If the venture incurs a loss, the partners will bear the loss in proportion to their capital investments or ownership ratio only.**¹⁵

*Note: In the case where only one partner has invested, the investing partner bears the loss totally because loss is only borne on capital investment.*¹⁶ *However, the non-investing partner will not be compensated for his efforts.*

- 5.5. If a partner violates the terms and conditions stipulated in the partnership contract by acting irresponsibly or unethically, he or she is responsible for any loss incurred.¹⁷

¹³ Al-Dai al-Ajal Syedna al-Qadi al-Noman ^{RA}, *Da'aim al-Islam* vol. 2, 49

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

Liabilities and Debt

- 6.1. The partnership is **liable** to **repay** any and all debts or liabilities accumulated by the firm during the normal course of operating the venture.¹⁸
- 6.2. Even after death, a person is obligated and liable to repay all his debts from his estate.¹⁹

Note: Debts are repaid from inheritance. However, it is mandatory for the claimant to provide evidence of any such debt first.

¹⁸ Al-Dai al-Ajal Syedna al-Qadi al-Noman^{RA}, *Mukhtasar al-Aathaar* vol. 2, 92-93

¹⁹ Ibid.

Rights and Decision Making

- 7.1. All decisions in the course of operating the business venture should be by **mutual consent** of all the partners or based on specific stipulations made in the partnership agreement.²⁰
- 7.2. As best practice, the partners should establish beforehand a detailed **division of work** and **responsibilities** regarding the management of the venture and describe it in the agreement.
- 7.3. In the case of a *mudaarabat*, the investing partner's consent must be taken in decisions that affect the overall strategy of the venture or in the case of investment decisions that have a significant financial implication.

²⁰ Al-Dai al-Ajal Syedna al-Qadi al-Noman ^{RA}, *Mukhtasar al-Aathaar* vol. 2, 89-90

Dissolution of the Partnership

- 8.1. A partnership is dissolved if:
- Partner dies, resigns, retires, or at will, notifies all the partners of his/her intention to dissolve the partnership.²¹
 - The purpose or time period for which the partnership was formed is completed.
- 8.2. At the end of a partnership, all the partners should receive their share of the capital at **fair market value**. As best practice, fair market value *can be* derived using generally accepted accounting principles (GAAP).
- 8.3. At the time of dissolution, if a third party owes the firm, then the asset (in the form of cash or kind) must first be recovered and tallied with the capital or assets of the firm and then divided proportionally amongst all the partners. The asset cannot be divided before recovery.

Example: Brothers Huzefa and Yusuf own a firm in the international trade of dry fruits under the name of Qadir's Cashews & Dry Fruits. Two of their major clients in India have simultaneously defaulted on a payment (supposed to make at delivery) for a large shipment of Almonds that came in from the U.S. The partners had blocked a majority of their capital in the shipment and the clients are asking for 6 months to make the payment. The partners decide it is no longer feasible to run the firm. Since they are dissolving the partnership, Huzefa suggests that whatever is recovered from the first client belongs to him and whatever is recovered from the second client belongs to Yusuf. This is prohibited and all the payments recovered from both clients should be distributed to both of them. Whatever is recovered from capital should be distributed according to their ownership and anything recovered from profits according to their profit-sharing ratio.

²¹ Al-Dai al-Ajal Syedna al-Qadi al-Noman ^{RA}, *Mukhtasar al-Aathaar* vol. 2, 92

Dispute Resolution

- 9.1. If a dispute arises between partners, they should first work to resolve their dispute amicably **amongst themselves**.
- 9.2. In the case of an unresolved dispute, partners should **seek resolution** from the **office of His Holiness Dr. Syedna Mufaddal Saifuddin ^{TUS}** or a **person appointed** by him acting as a mediator. All partners must **honour** any decisions taken during the course of mediation as final and binding. The concerned parties should not seek resolution from the courts or any other entity.

عقد الشركة

	<p>بسم الله الرحمن الرحيم ان الله هو الرزاق ذو القوة المتين</p>	<p>فارم نمبر: سنة:</p>
<p>اسم الموضوع: اسم البلاد:</p>	<p>الحمد لله ذي الجلال والكبرياء، وصلى الله على خاتم الانبياء، وعلى وصيه سيد الاوصياء، وعلى الائمة من ذريتها الاتقياء، وعلى دعاةهم المطلقين الاصفياء، لا سيما على الداعي الاجل الراقي الى اعلى عليين، سيدنا ومولانا ابي القائد جوهر محمد برهان الدين رض، وعلى منصوصه الداعي الاجل الثالث والخمسين، شمس الدعاة المطلقين، نائب ال طه و ياسين، داعي العصورالحين، سيدنا ومولانا عالي قدر مفضل سيف الدين طول الله عمره الشريف الى يوم الدين</p>	

	<p>ويپار ني نوع</p>
	<p>ويپار / كپني نونام</p>
	<p>شركة شروع كروا ني التاريخ</p>
	<p>شركة ني مدة</p>
	<p>شركة ني تفاسير Detailed description of partnership</p>

الفصل الاول - شركاء ني معلومات

رقم	اسماء الشركاء	ITS	رأس المال (capital) ما حصة (رقم)	رأس المال (capital) ما حصة	نفع (profit) ما نو حصة	نقصان (loss) ما حصة
١						
٢						
٣						
٤						
جملة الجمل				100%		100%

رأس المال (capital) نو جر حصة لكهائي يره، مطابق نقصان (loss) نو حصة مرهسه

الفصل الثاني - الشريك العامل (Working Partner) ني معلومات

رقم	اسماء الشركاء	ITS No.	نفع (profit) نو حصة (في صد)
١			
٢			
٣			

الفصل الثالث - شركة نو LEGAL STATUS

1. شركة نو Legal status _____ Partnership / Pvt Ltd / LLP / AOP / Others مثل چھے،
2. ملصق legal document ما جر شروط موجوده چھے، یر مطابق ہمارو طرزِ عمل رہے، اگر legal document نا شروط ما شریعة نا خلاف کوئی نکتہ ہے، تو ا فارم مطابق عمل رہے،

الفصل الرابع

1. تجارة نا وچان، خریدان، انے وپارنا بیسرا امور پر سگلا شرکاء واقف چھے انے سگلا نی موافقة سی عمل تھائی چھے،
2. شرکاء ما سی کوئی بھی شریک - یا - شرکاء الشركة ما شریعة نا خلاف عمل کرے نہیں.
3. خاصة ویاچ نو عمل کوئی بھی شاکلة سی تھاسے نہیں.

الفصل الخامس - تقسیم الربح

1. تمام شرکاء نی موافقة سی نفع (profit) نا حصہ و (فی صد) مقرر تھیا چھے، انے یر مقرر حصہ و (فی صد) مطابق سگلا شرکاء نفع ما شریک تھاسے،
2. تمام شرکاء نا درمیان الربح الصافي (net profit) ما سی هر _____ مہینہ ماربح تقسیم کروا ما اوسے،
3. تمام شرکاء نا اتفاق سی تقسیم الربح ا مثل تھاسے

الفصل السادس - النقصان

1. هر شریک رأس المال ما اہنا حصہ مطابق (فی صد) نقصان ما شریک رہے،
2. اگر نقصان ما کوئی دین واقع تھیو ہے تو، یر دین اداء کروا نی ذمہ داری تمام شرکاء نی رہے، رأس المال ما اہنا حصہ مطابق
3. اگر الشریک العامل / الشرکاء العمال نا اوپر جر حدود انے شروط (terms and conditions) مقرر کروا ما ایا چھے اہنا خلاف عمل کروا سی نقصان تھیو ہے، تو یر نقصان الشریک العامل / الشرکاء العمال نا حصہ و ما سی وضع کروا ما اوسے،

الفصل السابع - خرچ

۱. شركة نا خرچ (business expenses) ما جر سگلي اشيء شمار کروا ما اوي چھ اھني نونده مع هذا ملصق کاغذ ما کروا ما اوي چھ، (مثلا: electricity, stationery) _____ (ATTACHMENT 1)
۲. شريك انے الشريك العامل نا خرچ ما سي شركة جر خرچ اٹھوسے اھني نونده مع هذا ملصق کاغذ ما کروا ما اوي چھ، (مثلا: conveyance) _____ (ATTACHMENT 2)
۳. حکومت نا قوانين مطابق جر taxes اداء کرو لانرم ھے، یر شركة نا خرچ ما شمار کروا ما اوسے،
۴. کوئی بھی شريك پوتاني ملكة سي شركة ما شامل تھاتا ھے تو یر ملكة شركة نا رأس المال ما شمار کروا ما اوسے، اھنا اوپر اجرة لیو جائز نہیں ھوئی.
۵. جر ملكة شركة نا کوئی امر واسطے استعمال کروا ما اوتی ھوئی انے رأس المال ما شامل نہر ھوئی اھنا اوپر اجرة لئی سکائی چھ.
۶. کوئی دینی یا دنیوی خرچ جو ا شركة نا مریج ما سي، سگلا شركاء ني رأي مطابق کروا ما اوسے - تو یر شركة نا جملة مریج ما سي وضع کروا ما اوسے، تر بعد تمام شركاء نا حصص تقسیم تھاسے،
۷. ا شركة ني رقم ما سي عند الضرورة، تمام شركاء سي اتفاق کیدا بعد قرضاً حسناً نظام مطابق اپی سکائی چھ،
۸. شركاء جو اتفاق کرے تو on account رقم لیوا واسطے clause موکي سکے چھ،
۹. الشريك العامل / الشركاء العمال نے تمام شركاء نا اتفاق سي في مجلس اخر علحدہ عقد کری نے اجرة اپی سکائی چھ، في مجلس عقد الشركة ا امر عقد تھی سکے نہیں، (مزید معلومات واسطے مع هذا ملصق کاغذ ما چھ) _____ (ATTACHMENT 3)

الفصل الثامن - شركة ني شروط انے شرڪاء نا حقوق

۱. شرڪاء - الشريك العامل / الشرڪاء العمال نے شركة چلاوا واسطے ايك frame work تيار كرى ايسے، تاكر شركة نو كام صحيح، مضبوطي انے باتفاق الراي تھائى انے كوئى بهي قضايا در پيش نر اوعے. ير مثل نا تمام نكات انا تحت تخمين كرسے،
۲. شريعة نا حامي الداعي الاجل سيدنا عالي قدر مفضل سيف الدين طع في خوشي موافق عمل رھسے،
۳. حساب نرمان نا مقتضى مطابق صاف سترو راھيسے،
۴. حساب اوقات معينة پر انے جھ وقت شريك / شرڪاء طلب كرسے تر وقت پيش كرو لانرم رھسے،
۵. حساب انے تمام امور ما كوئى بهي شاكلة سي غش نہيں كرسے،
۶. تمام امور پر سگلا شرڪاء اگاھ تھاسے،
۷. تمام امور ما شريعة محمية نا موافق عمل رھسے،
۸. شريعة نا خلاف جو عمل تھاسے تو سونز اقدامات ليوا ما اوسے، ير بهي شرط كروا ما اوسے،
۹. رأس المال سونز چيزو ما استعمال تھي سكيے - اھني نونده ليوا ما اوسے،
۱۰. شركة نے جو قرضاً حسنا في ضرورة پرسے تو، تمام شرڪاء نا اتفاق سي على حسب حصاتهم اھني ضمانة ليسے،
۱۱. جھ سگلا امور ما تمام شرڪاء في موافقة ليو لانرم رھسے اھني نونده ليوا ما اوسے،
۱۲. جھ امور ما الشريك العامل / الشرڪاء العمال بدون المراجعة الى شرڪاء الاخرى (sleeping partners) فيصله لئي سكيے چھ، اھني نونده ليوا ما اوسے، مزيد حقوق (rights) في تعيين كيدي هوئى تو مع هذا ملصق كاغذ پر كروو،
(ATTACHMENT 4) _____
۱۳. مزيد شروط (terms & conditions) واسطے علحدہ كاغذ بناوي سكا ئي چھ،
(ATTACHMENT 5) _____

الفصل التاسع - شركة تمام تھاوانی ذکر

۱. شركة نامدة نى تمامية _____ تا مرنح تهي جاسے، تر بعد دو باره عقد کروولانرم مرهسے،
۲. اگر کوئی شريك نے ير مدة قبل شركة سي خارج تھاوو هوئى تو، اهنے _____ مھينة قبل تمام شركاء نے خبر کروولانرم مرهسے،
۳. تروقت شركة ما الگ تھانار نو جر بهي حصة تھاتو هسے اهنے _____ مھينة ما اداء کروا ما اوسے،
۴. شريك نو status وراثه ما اوي سكا ئى نھیں، كوئى بهي شريك نا موت نا بعد، ير شريك نا وارث/ورثاء نے ير گذرنا ر شريك نو حصة اپوولانرم مرهسے، انے جو سگلا شركاء چاهے تو اھنا وارث/ورثاء نا ساھ شركة جديدة كرى سكه چھے.
۵. شركة نا تمامية نا نزديك جو شركة نى رقم سي كوئى نرمين -يا - ملكة -يا - مثلھا اشياء (immovable properties) خريدوا ما اوي هسے، تو ير رأس المال ما شمار كروا ما اوسے،
۶. شركة نا تمامية نا نزديك - هر ايك شريك نے- تروقت شركة نى جر قيه هسے (current evaluation)، ير مطابق اھنو جر حصة تھاتو هسے ير اپي ديوا ما اوسے،
۷. شركة نا تمامية نا نزديك - اگر نقصان تھيو هسے- تو رأس المال نى مابقي رقم سي هر ايك شريك نے رأس المال ما اھنا حصة (في صد) مطابق حصة اپي ديوا ما اوسے،
۸. شركة نى مدة نا درميان رأس المال ما -يا - شركاء نا حصة و ما اضافة تھاسے تو ير اضافة نے، ايضاً نفع نا حصة و ما كم يا زيادة تھاسے تروقت شركة نو فارم ما update كروا ما اوسے،

الفصل العاشر - شركاء ما اختلاف

اگر ھماری شركة ما كوئى اختلاف يا نا اتفاقي تھاسے تو قضيه نے نى مكتب سرکار العالی (جاعة / الحضرة العالیة) طرف مرفع کروا ما اوسے، جر توجيھات فضل تھاسے ير مطابق عمل کریسون، هرگز court ما امر مرفع کریسون نھیں،

امثل ھماری خوشي سي، عقل انے حواس نى صحه نى حالة ما شركة شروع کریئے چھے،
اشركة نى شروط - كتاب الله، رسول الله صلح نى سنة، اهل بيت ع، نا فقه، انے داعي الزمان طع نى خوشي مطابق مرهسے، امر پر الله تھك انے اھنا داعي سيدنا عالی قدر مفضل سيف الدين اطال الله بقله الشريف
نے حاضر و ناظر راكھيئے چھے، وكفى بالله شهيدا،

شركاء

دستخط	Photograph	ITS No	اسماء الشركاء	رقم
				١
				٢
				٣

شهداء

دستخط	Photograph	ITS No	اسماء الشهداء	رقم
				١
				٢

امضاء العامل الحاضر

ويپارنا خرچ ما - مایلی اشیاء شامل کروا ما اوسے (ATTACHMENT 1)

رقم	عنوان
۱	
۲	
۳	
۴	
۵	
۶	
۷	
۸	
۹	
۱۰	

شريك / الشريك العامل نا خرچ ما سي شركة جرههي خرچ الهاوسے (ATTACHMENT 2)

رقم	عنوان
۱	
۲	
۳	
۴	
۵	
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۷	
۸	
۹	
۱۰	

شريك نے علحدہ مجلس ما اجرة اپوا بابت توجيہات (ATTACHMENT 3)

۱. شركاء ما سي جر بهي پوتاني ني محنة سي يا مھارۃ سي عمل كرسے، اھنے اجرة / نفقة جيم سگلا شركاء عن تراض فيصله كيدو هوئي یر على الوقت المعين والکية المعينة عن تراض اپوا ما اوسے، یر رقم نے وپيلر نا نفقات نا اخراجات ما شمار كروا ما اوسے یر رقم نواثر شركاء ني شركة نا حصة یر تھاسے نہيں،
۲. محنة كرنار شريك نے جر اجرة اپوا ما اوسے چھے یر اھني محنة نا سبب جيم كوئي بيسرا اجير نے اپوا ما اوسے چھے یر مطابق اپوا ما اوسے چھے، یر رقم مريح مقطوع (fixed profit) چھے نہيں،
۳. محنة كرنار شريك نے جر اجرة / نفقة اپوا ما اوسے یر، جيم اجير ساھ علحدہ عقد كروا ما اوسے چھے یر مطابق كروا ما اوسے،

تمام شريك / الشريك العامل نے جر حقوق اپوا ما ايا چھے (ATTACHMENT 4)

تمام شركاء نا حقوق (Rights of all partners)	
	۱
	۲
	۳
الشريك العامل نا مخصوص حقوق (Rights of working partner only)	
	۱
	۲
	۳
الشريك نا مخصوص هوئي حقوق (Rights of investing partners only)	
	۱
	۲
	۳

الشريك العامل / الشركاء العمال نے حسب ما يلي حدود (terms & conditions) ني پابندي كروي لانرم چھ
(ATTACHMENT 5)

رقم	عنوان
۱	
۲	
۳	
۴	
۵	
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۱۰	

Partnership Deed

	بسم الله الرحمن الرحيم ان الله هو الرزاق ذو القوة المتين	Form No: Year:
Mauze	الحمد لله ذي الجلال والكبرياء، وصلى الله على خاتم الانبياء، وعلى وصيه سيد الاوصياء، وعلى الائمة من ذريتها الاتقياء، وعلى دعاة المطلقين الاصفياء، لا سيما على الداعي الاجل الراقي الى اعلى عليين، سيدنا ومولانا ابي القائد جوهر محمد برهان الدين رض ، وعلى منصوصه الداعي الاجل الثالث والخمسين، شمس الدعاة المطلقين، نائب ال طه و ياسين، داعي العصور والحين، سيدنا ومولانا عالي قدر مفضل سيف الدين طول الله عمره الشريف الى يوم الدين	
Country		

Type of Business	
Business Name	
Date of Commencement of the Partnership	
Duration of the Partnership	
Detailed Description of Partnership	

Section 1 - Details of Investing Partner(s)

Sr.	Name of Partner	ITS No	Capital (Amount)	Capital (%)	Profit (%)	*Loss (%)
Total				100%		100%

*Percentage of loss (to be borne) will be equivalent to the percentage of capital investment

Section 2 - Details of Working Partner(s)

Sr.	Name of Partner	ITS No	Profit (%)

Section 3 – Legal Status of the Partnership

- 3.1 The legal status of this partnership is _____ (partnership, PVT LTD, LLP, AOP, Others).
- 3.2 Our activities will be in compliance with the attached legal documents. Should any stipulation of these legal documents contravene the laws of Shariat Mohammediyah, our activities will then be in accordance with this Partnership Deed.

Section 4 – Mutual Consent

- 4.1 All partners should be aware of the business activities of the partnership. Each activity can only be conducted with the mutual consent of all partners.
- 4.2 No partners will partake in any act that is forbidden by Shariat, especially that involving any form of interest.

Section 5 – Distribution of Profit

- 5.1 The profit percentage of each partner has been determined with mutual consent; partners will draw their share of profit accordingly.
- 5.2 Each partner will draw his/her share of the **net profits** every _____ months.
- 5.3 The distribution of profit will be as follows:

Section 6 - Loss

- 6.1 Each partner will bear the loss incurred according to his/her share of the capital investment.
- 6.2 All the partners will be liable to repay any debt that has arisen as a result of the losses incurred, according to their share in the capital investment.
- 6.3 If a loss occurs because a working partner(s) acted against the terms and conditions of the partnership deed, then the loss will be borne by the said partner(s).

Section 7 – Expenses of the Partnership

- 7.1 A list of all the business expenses is to be listed in **Attachment 1** (e.g. electricity, stationery).
- 7.2 A list of expenses of the partners that will be borne by the partnership is to be noted in **Attachment 2** (e.g. conveyance).
- 7.3 All taxes payable according to the law of the land will be included in the expenses of the partnership.
- 7.4 If any partner contributes their property to the partnership, then the said property will be counted towards their capital investment, and rent cannot be collected on that property.
- 7.5 Rent may be collected from any property utilized by the partnership and not included in the capital investment.
- 7.6 All expenses (religious and secular), which are done by this partnership, should with the mutual consent of all partners, after which individual profits can be distributed.
- 7.7 The capital of the partnership can be given as *Qardan Hasana*, if approved by all partners
- 7.8 A clause containing provisions for on account advance profits may be placed.
- 7.9 The working partner/partners may be given a salary. The salary shall be finalized in a separate meeting (**Refer Attachment 3**).

Section 8 – Rights/ Terms & Conditions of a Partnership

- 8.1 The partners should draft a business framework to ensure the efficient and cordial functioning of the partnership, and to prevent any conflict. The framework should include the following points:
- 8.2 All activities of the partnership will be in accordance with the will of the guardian of Shariat Syedna Mufaddal Saifuddin ^{TUS}.
- 8.3 Accounts should be maintained with clarity and accuracy. All accounts should be accurately maintained and up to date.
- 8.4 Account balances are to be presented at scheduled intervals and whenever a partner requests to see them.
- 8.5 Accounts are to be free from any form of deceit or fraud.
- 8.6 All partners should be aware of the activities of the partnership.
- 8.7 All the activities will be according to the principles of Shariat Mohammediyah.
- 8.8 If any partner undertakes an action that is contrary to the principles of Shariat Mohammediyah, then the steps that will be taken need to be listed.
- 8.9 All expenses paid by the capital investment should be listed.
- 8.10 If partnership takes Qardan Hasana then all partners are liable to repay the Qardan Hasana according to their ownership ratio.
- 8.11 Matters that require the consent of all the partners should be documented.
- 8.12 Areas in which the working partner(s) can take decisions without the consent of the investing partners should be specified. Additional rights of all or specific partners should be mentioned in Attachment 4.
- 8.13 A separate document can be created for any additional terms and conditions.
Attachment 5

Section 9 – Dissolution of the Partnership

- 9.1 The partnership will end on ___/___/____. An agreement may be made to renew the partnership at that time.
- 9.2 If a partner wishes to exit the partnership before the end date, he will be required to inform all other partners ____ months in advance.
- 9.3 The exiting partner’s share will be given to him in ____ months.
- 9.4 The position of a partner cannot be inherited by the partner’s heirs after the partner’s death. However, the remaining partners may create a new agreement with the heir(s) of the deceased partner if they so wish.
- 9.5 Any immovable properties (e.g. land) purchased close to the time of the dissolution of the partnership, will be counted as capital invested in the partnership.
- 9.6 Partners will be given their share of the partnership according to the current market value of the partnership at the time of dissolution.
- 9.7 If the partnership has incurred any losses, the partners will be given their share of the remaining capital after losses are deducted.
- 9.8 If a partner increases his/her share in the initial capital invested or their profit percentage sees an increase or decrease, the partnership deed should be updated.

Section 10 – Dispute Resolution

In the case of any dispute arising between us, we will approach the office of His Holiness Syedna Mufaddal Saifuddin ^{TUS} to resolve that dispute and we will act according to the directives issued from his office. We will not take the matter to court.

In this way, with our mutual consent, with a sound mind and body, we begin our partnership. Its terms and conditions will be on the basis of al-Quran al-Kareem, the sunnah of Rasulallah ^{SAW}, the Fiqh (jurisprudence) of Ahle Bait ^{AS}, and the directives and teachings of His Holiness Syedna Mufaddal Saifuddin^{TUS}. We hold Allah^{TA} and his Dai, His Holiness Syedna Mufaddal Saifuddin^{TUS} witnesses to this agreement.

وكفى بالله شهيدا،

Partners

Sr.	Name of Partner	ITS No.	Photograph	Signature
1				
2				
3				

Witnesses

Sr.	Name of Witness	ITS No.	Photograph	Signature
1				
2				

Amil Saheb Signature:

Attachment 1 – Business Expenses

Sr No.	Particulars
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Attachment 2 – Partner's Expenses

Sr No.	Particulars
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Attachment 3 – Making Payments to a working partner.
(To be discussed in a separate meeting.)

- 1 Any partner(s) dispensing expert services beneficial to the partnership is eligible to receive a specified salary for a specified time period. This salary/remuneration should be included in Attachment 3. This amount will have no bearing on the profit share received by that partner.
- 2 The working partner is paid a salary in exchange for the work that he/she does. This is a salary, not a fixed profit.
- 3 The salary paid to a working partner will be determined in the same way the salary of any other employee is determined.

Attachment 4 – Rights of the Partner

Rights of All Partners	
1	
2	
3	
Rights of Working Partners	
1	
2	
3	
Rights of Investing Partners	
1	
2	
3	

**Attachment 5 - Additional Terms &
Conditions of the Partnership**

Sr No.	Particulars
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	



Al- Tijarat al-Raabehah Head office

+91 022 49216552

trpartnership@alvazarat.org www.tijaaratraabehah.org

B2 Taj Building, Fort, Mumbai 400 001

To register online visit
partnership.tijaaratraabehah.org/

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