



The Basic
PRINCIPLES
of a
PARTNERSHIP





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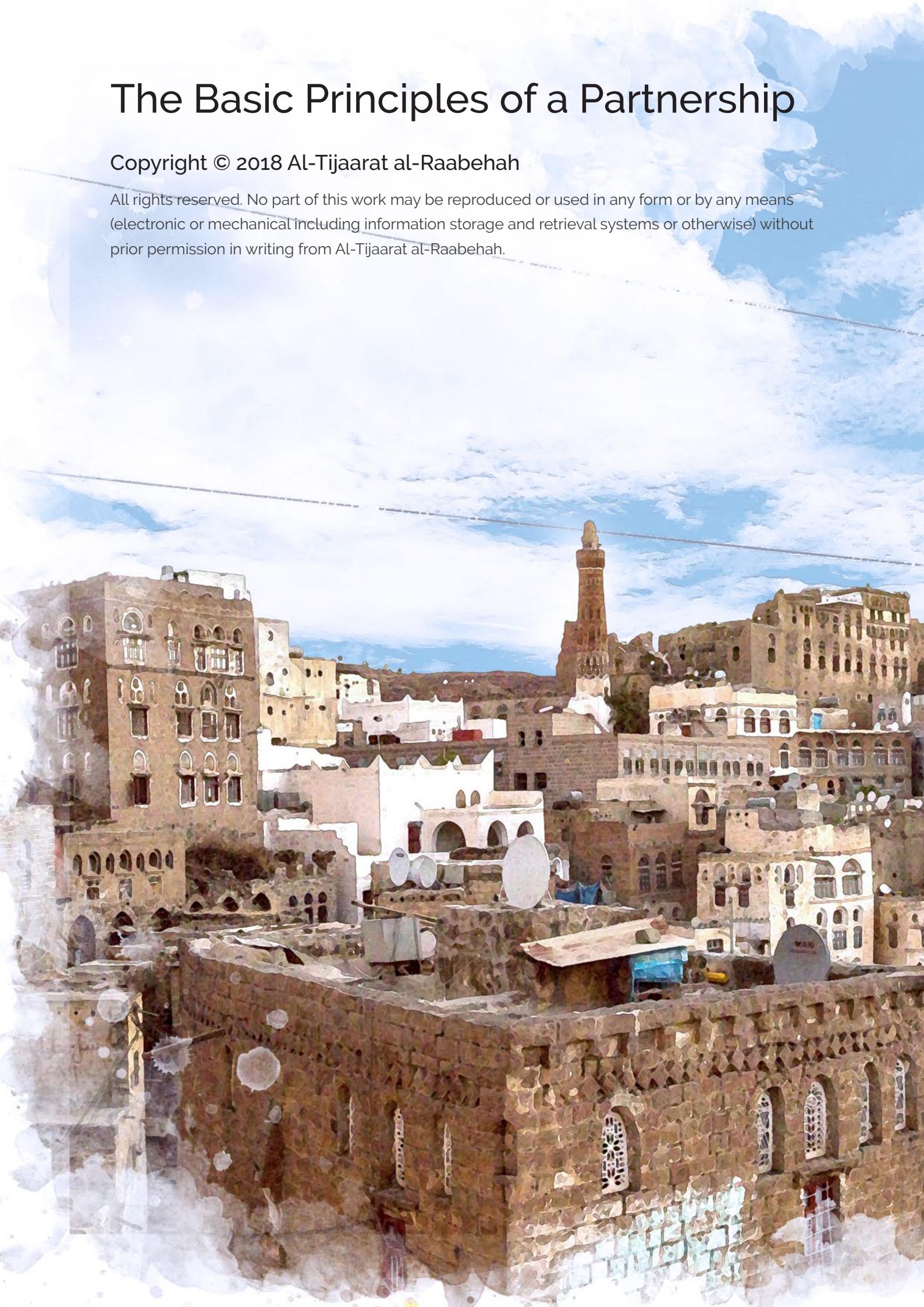




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Amirul Mumineen Maulana Ali b. Abi Talib^{AS} states

الفقه ثم المتجر فانه من باع و اشتري ولم يسأل عن حرام
ولا حلال ارتبطم في الربا ثم ارتبطم

[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. Musharakat

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 Mubaraka 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'iyyat 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

5.1.

Sharing of Profit and Loss

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:

- a. Partner dies, resigns, retires, or at will, notifies all the partners of his/her intention to dissolve the partnership.²¹
- b. 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.

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عقد الشركة

	<p>بسم الله الرحمن الرحيم ان الله هو الرزاق ذو القوة المتين</p>	<p>فامنبر: سنة:</p>
اسم الموضع :	<p>الحمد لله ذي الجلال والكثيراء، وصلى الله على خاتم الانبياء، وعلى وصيه سيد الاوصياء، وعلى الاممة من ذريتهما الاتقياء، وعلى دعائهم المطلقين الاصفياء، لا سيما على الداعي الاجل الراقي الى اعلى عاليين، سيدنا و مولانا ابي القائد جوهر محمد برهان الدين رض ، وعلى منصوصه الداعي الاجل الثالث والخمسين، شمس الدعاة المطلقين، نائب الـ طه و ياسين، داعي العصر والاحدين، سيدنا و مولانا عالي قدس مفضل سيف الدين طول الله عمره الشريف الى يوم الدين</p>	
اسم البلد :		

	<p>ويشار في نوع</p>
	<p>ويشار / كمبيوني نونام</p>
	<p>شركة شروع كروا في التاريخ</p>
	<p>شركة في مدة</p>
	<p>شركة في تفاصير Detailed description of partnership</p>

الفصل الأول - شركاء في معلومات

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

رأس المال (capital) نو جبر حصة لکھائی یہ مطابق نقصان (loss) نو حصة ہے

الفصل الثاني - الشريك العامل (Working Partner) في معلومات

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

الفصل الثالث - شركة نو LEGAL STATUS

١. شركة نو Legal status _____ Partnership / Pvt Ltd / LLP / AOP / Others مثل چھے،
٢. ملصق legal document ما جر شروط موجودہ چھے ، یہ مطابق ہمارو طرزِ عمل رہے، اگر legal document نا شرط ما شریعة نا خلاف کوئی نکتہ ہے، تو افام مطابق عمل رہے،

الفصل الرابع

١. تجارت نا و پچان، خریدان، انے ویپار نا بیسرا امور پر سگلا شرکاء واقف چھے انے سگلا نی موافقہ سی ہے عمل تھائی چھے،
٢. شرکاء ما سی کوئی بھی شریک - یا - شرکاء اشارة کوئی بھی شرکاء نا خلاف عمل کرسے نہیں.
٣. خاصہً ویاج نو عمل کوئی بھی شاکلة سی تھاسے نہیں.

الفصل الخامس - تقسیم الربح

١. تمام شرکاء نی موافقہ سی نفع profit (فی صد) حصةً مقرر تھیا چھے ، انے یہ مقرر حصةً (فی صد) مطابق سگلا شرکاء نفع ما شریک تھاسے،
٢. تمام شرکاء نا درمیان الربح الصافی net profit (ما سی هر ممینہ ماربھ تقسیم کروا ما اوسے،
٣. تمام شرکاء نا اتفاق سی تقسیم الربح ا مثل تھاسے

الفصل السادس - النقصان

١. ہر شریک رأس المال ما اهنا حصہ مطابق (فی صد) نقصان ما شریک رہے،
٢. اگر نقصان ما کوئی دین واقع ہیو ہے تو، یہ دین اداء کروا نی ذمہ داری تمام شرکاء نی رہے، رأس المال ما اهنا حصہ مطابق
٣. اگر الشریک العامل/ الشرکاء العمال نا اوپر جر حدود نے شروط terms and conditions مقرر کروا ما ایا چھے اهنا خلاف عمل کروا سی نقصان ہیو ہے، تو یہ نقصان الشریک العامل/ الشرکاء العمال نا حصہ ما سی وضع کروا ما اوسے،

الفصل السابع - خرج

١. شركة نا خرج (business expenses) ما جر سگلي اشياء شماں کروا ما اوی چھے اهني نوندھ مع هذا ملصق
(ATTACHMENT 1) _____ (electricity, stationery) (مثلا: كاغذ ما کروا ما اوی چھے)
٢. شريك انه الشريك العامل نا خرج ما سي شركة جر خرج الھاوے اهني نوندھ مع هذا ملصق كاغذ ما
کروا ما اوی چھے، (conveyance) (مثلا: _____) (مثلا: كروا ما اوی چھے)
٣. حکومۃ نا قوانین مطابق جر taxes اداء کروو لازم ہے، يہ شركة نا خرج ما شماں کروا ما اوے،
٤. کوئی بھی شريك پوتاني ملکة سی شركة ما شامل ھاتا ہے تو یہ ملکة شركة نا رأس المال ما شماں کروا ما اوے،
اهنا اوپراجرة لیوو جائز نہیں ہوئی.
٥. جر ملکة شركة نا کوئی امر واسطے استعمال کروا ما اوی ہوئی انه رأس المال ما شامل نہ ہوئی اهنا اوپر
اجرة لئی سکائی چھے.
٦. کوئی دینی یا دینوی خرج جو اشركة نا سرچ ما سی، سگلا شركاء نی رأی مطابق کروا ما اوے - تو یہ
شركة نا جملہ سرچ ما سی وضع کروا ما اوے، تر بعد تمام شركاء نا حصص تقسیم ھاسے،
٧. اشركة نی رقم ما سی عند الضرورة ، تمام شركاء سی اتفاق کیدا بعد قرضًا حسنا نظام مطابق اپی سکائی چھے،
٨. شركاء جو اتفاق کرے تو رقم ليوا واسطے clause موکی سکے چھے،
٩. الشريك العامل / الشركاء العمال نے تمام شركاء نا اتفاق سی في مجلس اخر علحدہ عقد کري نے اجرة اپی
سکائی چھے، في مجلس عقد الشركة ا امر عقد تھئی سکے نہیں، (مزید معلومات واسطے مع هذا ملصق
كاغذ ما چھے) (ATTACHMENT 3) _____

الفصل الثامن - شرکة نی شروط اనے شرکاء نا حقوق

١. شرکاء - الشريك العامل / الشركاء العمال نے شرکة چلاوا واسطے ایک frame work تیار کری اپسے، تاکہ شرکة نو کام صحیح، مضبوطی اñe باافق الرأي لهائی اñe کوئی بھی قضایا درپیش نہ اوے۔ یہ مثل نا تمام نکات انا تخت تجھیں کرسے،
٢. شریعة نا حایي الداعی الاجل سیدنا عالی قدس مفضل سيف الدين طع نی خوشی موافق عمل رہے،
٣. حساب نہمان نا مقتضی مطابق صاف ستوراہمسے،
٤. حساب اوقات معینہ پرانے جہ وقت شریک/ شرکاء طلب کرسے تر وقت پیش کرووالازم رہے،
٥. حساب اñe تمام امور ما کوئی بھی شاکلة سی غش نہیں کرے،
٦. تمام امور پر سگلا شرکاء آگاہ ہاسے،
٧. تمام امور ما شریعة محلیة نا موافق عمل رہے،
٨. شریعة نا خلاف جو عمل ہاسے تو سونہ اقدامات لیوا ما اوسے، یہ بھی شرط کروا ما اوسے،
٩. رأس المال سونہ چیزو ما استعمال ہئی سکسے - اہنی نوندھ لیوا ما اوسے،
١٠. شرکة نے جو قرضاً حسننا نی ضرورة پرسے تو، تمام شرکاء نا اتفاق سی علی حسب حصائهم اہنی ضمانہ لیسے،
١١. جم سگلا امور ما تمام شرکاء نی موافقة لیوالازم رہے اہنی نوندھ لیوا ما اوسے،
١٢. جم امور ما الشريك العامل/ الشركاء العمال بدون المراجعة الى شركاء الآخری (sleeping partners) فيصله لئی سکے چھے، اہنی نوندھ لیوا ما اوسے، مزید حقوق (rights) نی تعین کیدی ہوئی تو مع هذا ملصق کاغذ پر کرو،

(ATTACHMENT 4)
١٣. مزید شروط (terms & conditions) واسطے علحدہ کاغذ بناوی سکائی چھے،

(ATTACHMENT 5)

الفصل التاسع - شركة تمام هاواي ذكر

١. شركة نا مدة نی تمامیة _____ تاریخ تھئی جاسے، تر بعد دوبارہ عقد کرو ولازم رہسے،
٢. اگر کوئی شریک نے یہ مدة قبل شركة سی خارج ھاولو ھوئی تو، اهنے _____ محینہ قبل تمام شرکاء نے خبر کرو ولازم رہسے،
٣. تر وقت شركة ما الگ ھانار نوجہ بھی حصہ ھاتو ھسے اهنے _____ محینہ ما اداء کروا ما اوسمے،
٤. شریک نو status وراثہ ما اوی سکائی ھیں، کوئی بھی شریک نا موت نا بعد، یہ شریک نا وارث /ورثاء نے یہ گذرناس شریک نو حصہ اپولازم رہسے، انے جو سگلا شرکاء چاہے تو اھنا وارث /ورثاء نا سالہ شركة جدیدہ کری سکے چھے.
٥. شركة نا تمامیة نا نزدیک جو شركة نی رقم سی کوئی نرمین - یا - ملکہ - یا - مثلہا اشیاء (immovable properties) خریدوا ما اوی ھسے، تو یہ رأس المال ما شمار کروا ما اوسمے،
٦. شركة نا تمامیة نا نزدیک - ہر ایک شریک نے - تر وقت شركة نی جب قیمة ھسے (current evaluation)، یہ مطابق اہنوجہ حصہ ھاتو ھسے یہ اپی دیوا ما اوسمے،
٧. شركة نا تمامیة نا نزدیک - اگر نقصان ھیو ھسے - تو رأس المال نی مابقی رقم سی ہر ایک شریک نے رأس المال ما اھنا حصہ (فی صد) مطابق حصہ اپی دیوا ما اوسمے،
٨. شركة نی مدة نا درمیان رأس المال ما - یا - شرکاء نا حصہ ما اضافہ ھاسے تو یہ اضافہ نے، ایضاً نفع نا حصہ و ما کم یا نریادہ ھاسے تر وقت شركة نو فارم ما update کروا ما اوسمے،

الفصل العاشر - شرکاء ما اختلاف

اگر ہماری شركة ما کوئی اختلاف یا نا اتفاقی ھاسے تو قضیۃ نے فی مكتب سرکار العالی (جامعة / الحضرة العالية) طرف رفع کرواما اوسمے، جب توجیہات فضل ھاسے یہ مطابق عمل کریسونز، هرگز court ما امر رفع کریسونز نہیں،

امثل ہماری خوشی سی، عقل انے حواس فی صحۃ فی حالة ما شركة شروع کریئے چھے،
اشركة فی شروط - کتاب اللہ، رسول اللہ صلح فی سنۃ، اهل بیت ع نا فقه، انے داعی الزمان ط فی خوشی
مطلوب رہسے، امر پر اللہ تک انے اھنا داعی سیدنا عالی قدس مفضل سیف الدین اطال اللہ بقامہ الشریف
نے حاضروناظر را کھیئے چھے، وکنی باللہ شهیدا،

شركة

دستخط	Photograph	ITS No	اسماء الشركاء	رقم
				١
				٢
				٣

شهداء

دستخط	Photograph	ITS No	اسماء الشهداء	رقم
				١
				٢

امضاء العامل الحاضر

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

عنوان	رقم
	١
	٢
	٣
	٤
	٥
	٦
	٧
	٨
	٩
	١٠

شريك / الشريك العامل نا خرچ ما سی شركه جه بھي خرچ اھاوے (ATTACHMENT 2)

عنوان	رقم
	١
	٢
	٣
	٤
	٥
	٦
	٧
	٨
	٩
	١٠

شريك نے علحدہ مجلس ما اجرہ اپوا بابت توجیهات
(ATTACHMENT 3)

١. شركاء ما سی جر بھي پوتاني نی محنۃ سی یا محارۃ سی عمل کرسے، اهنے اجرہ / نفقۃ جیم سگلا شركاء عن تراض فیصلہ کیدو هوئی یہ علی الوقت المعین والکمیۃ المعینۃ عن تراض اپوا ما اوسے، یہ رقم نے ویپار نا نفقات نا اخراجات ما شمار کروا ما اوسے یہ رقم نو اثر شركاء نی شرکة نا حصہ پر تھا سے نہیں،
٢. محنۃ کرناس شريك نے جر اجرہ اپوا ما اوسے چھے یہ اھنی محنۃ نا سبب جیم کوئی بیسرا اجیر نے اپوا ما اوسے چھے یہ مطابق اپوا ما اوسے چھے، یہ رقم سچ مقطوع (fixed profit) چھے نہیں ،
٣. محنۃ کرناس شريك نے جر اجرہ / نفقۃ اپوا ما اوسے یہ، جیم اجیر ساٹھ علحدہ عقد کروا ما اوسے چھے یہ مطابق کروا ما اوسے،

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

تمام شركاء نا حقوق (Rights of all partners)

١

٢

٣

الشريك العامل نا مخصوص حقوق (Rights of working partner only)

١

٢

٣

الشريك نا مخصوص هوئی حقوق (Rights of investing partners only)

١

٢

٣

الشريك العامل / الشركاء العامل نے حسب ما میں حدود (terms & conditions) نی پابندی کروی لازم چھے
(ATTACHMENT 5)

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

Partnership Deed

	بسم الله الرحمن الرحيم ان الله هو الرزاق ذو القوة المتين	Form No: Year:
Mauze	الحمد لله ذي الجلال والكثير، وصلى الله على خاتم الانبياء، وعلى وصيه سيد الاوصياء، وعلى الامة من ذريتهما الاتقياء، وعلى دعائهم المطلقين الاصفياء، لا سيما على الداعي الاجل الراقي الى اعلى عاليين، سيدنا و مولانا ابي القائد جوهر محمد برهان الدين رض ، وعلى منصوصه الداعي الاجل الثالث والخمسين، شمس الدعاة المطلقين، نائب الال طه و ياسين، داعي العصر والاحدين، سيدنا و مولانا عالي قدس مفضل سيف الدين طول ائمه 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 be 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.

وَكَفِى بِاللّٰهِ شَهِيداً

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	



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To register online visit
www.dbohra.com/partnership