To Lend Money to Get more - 19 /May/ 2021

Question: I lent money to a friend of mine and after a few months, he returned me the money plus some extra as a gift. He, himself, suggested to pay more and the extra money was his. Is receiving the extra amount considered as ribā?

Answer: Despite the fact that you did not stipulate the extra, if you have lent on the basis of the borrower's offer to give extra money as a gift, it is not permissible to receive more than the inflation rate.
However, if the borrower pays it without stipulation [in the loan deed] or prior agreement, it is no problem, although receiving it is makrūh.