

MURABAHA AGREEMENT

THIS MURABAHA AGREEMENT (this "Agreement") is made at _____ on ____ day of _____ 20__

BETWEEN

_____ (Name) S/O _____ R/O..... hereinafter referred to as **"Member"** (which expression shall wherever the context so requires or permits mean and include heirs, successors and assigns) party of the FIRST PART

AND

_____ Society, a duly registered Cooperative credit Society (registered under _____ Act, _____) having its registered office at _____ hereinafter referred to as **"Society"** (which expression shall wherever the context so requires or permits mean and include its successors-in-interest and assigns) party of the SECOND PART

AND

1.....(Name)S/O.....R/O.....
.....
2.....(Name)S/O.....R/O.....
.....

Hereinafter jointly referred to as **"Guarantors"** (which expression shall wherever the context so requires or permits mean and include heirs and assigns) party of the THIRD PART

IT IS AGREED BY THE PARTIES as follows:

1. PURPOSE AND DEFINITIONS

1.01 This Agreement sets out the terms and conditions upon and subject to which the Society has agreed to purchase the Goods specified in the purchase requisition no. ... dated.... given in **Annexure 1** from the Member and sell the same to the Member by way of Murabaha.

1.02 Definitions:

In this Agreement, unless the context otherwise requires:

"Cost Price" means the amount which may be incurred by the Society for the acquisition of Goods including all costs, duties, taxes and charges, transportation cost incidental to and connected with acquisition of Goods;

"Contract Price" means aggregate of Cost Price and a Profit of Rs. ____ thereon payable by the Member to the Society for Goods as specified in Clause 2.01 of this agreement;

"Event of Default" means any of the events or circumstances described in Clause 10 hereto;

"Goods" means such Goods as are permitted under stipulation of Shariah and as may be specified in the Purchase Requisition(s) to be issued by the Member from time to time;

"Indebtedness" means any obligation of the Member for the payment of any sum of money due or, payable under this Agreement;

"Loan" shall mean the total price for purchase of the goods by the member from the society including all incidental expenses applicable such as transportation and handling and taxes as defined herein and mark up on the cost price to the society with set off for earnest money paid by the member;

"Lien" shall mean any mortgage, charge, pledge, hypothecation, security interest, lien, right of set-off, contractual restriction (such as negative covenants) and any other encumbrance;

"Murabaha" means providing goods on mark-up price on deferred payment basis;

"Payment Date" or **"Payment Dates"** means the respective dates for the payment of the installments of the Contract Price or part thereof by the Member to the Society as specified in **Annexure 2**;

"Profit" means any part of the Contract Price which is not a part of the Cost Price;

"Principal Documents" means this Agreement, and the Security Documents;

"Purchase Requisition" means a request by the Member to the Society as attached **Annexure 1**;

"Taxes" includes all present and future taxes, Goods and Services Tax(GST), levies, imposts, duties, stamp duties, penalties, fees or charges of whatever nature applicable on the transaction of acquisition of the goods and their transfer to the member together with delayed payment charges thereon and penalties in respect thereof and **"Taxation"** shall be construed accordingly;

"Value Date" means the date on which the Cost Price will be disbursed by the Society as stated in the Purchase Requisition, after fulfillment of all documentation required by the society from the member as per the discretion of the society and provided that no law or Shariah stipulation is in contravene thereby.

1.03 Clause headings and the table of contents are inserted for convenience of reference only and shall be ignored in the interpretation of this Agreement.

2. SALE AND PURCHASE OF THE GOODS

2.01 The Society agrees to sell the Goods to the Member and the Member agrees to purchase the Goods from the Society at the Contract Price of Rs.;

2.02 Upon receipt by the Society of the Member's Purchase Requisition requesting the Society to purchase the Goods and making payment of down payment of Rs.therefor to the society, the Society shall acquire the Goods and make payment for such goods directly to the supplier after submission of purchase request and down payment by the member;

2.03 Upon receipt of purchase of Goods by the Society, directly from the Supplier, the Goods shall be at the risk and cost of the Society until such time that these Goods are sold to the Member, the sale and delivery of the Goods from the Society to the member shall be evidenced by the acceptance, duly signed by the member and endorsed by the Society and attached herewith in **Annexure 3**;

2.04 The Member's purchase of Goods from the Society shall result in the creation of a loan of Rs. due from the member to the Society and payable in the manner described in **Annexure 2** in ----- months.

3. SECURITY

3.01 As security for the indebtedness of the Member under this Agreement, the Member shall:-

(a) Furnish to the Society collateral(s)/security(s), substantially in the form and substance attached hereto as **Annexure ###** (to be included by respective societies as per their own format);

(b) Execute such further deeds and documents as may from time to time be required by the Society and if necessary appropriately register charge and for the purpose of more fully securing and or perfecting the security created in favour of the Society and to create such other securities as deemed necessary by the society (The above are hereinafter collectively referred to as the "Security").

3.02 In addition to above, the Member shall execute a demand promissory note in favor of the Society for the amount of the loan (the "Promissory Note");

(The **Security** and the Promissory Note are hereinafter collectively referred to as the "**Security Documents**").

4. GUARANTORS

4.01 In consideration of the Society loan to the Member arising out of the transaction of the sale of the goods to the member, the Guarantor(s) hereby guarantee(s) repayment of the said amounts due under this Agreement on account of cost of the goods and profits payable thereon;

4.02 Guarantor(s) agree(s) that their obligations under this Agreement shall be absolute, unconditional and irrevocable and shall be concurrent with those of the Member in all respects and shall not be varied without the prior written consent of the society;

4.03 Obligations and acknowledgements of the Guarantor(s): Guarantor(s) shall:

4.03.1 Ensure regular and punctual payment of all sums due under this Agreement and the due performance of the terms and conditions of this Agreement by the Member.

4.03.2. The Society shall be at liberty to sue the Member and the Guarantor(s) jointly and/or severally or shall be entitled to proceed against the Guarantor(s) as if the guarantor(s) is/are the principal debtor.

4.04 Security Interest: The Society may call upon the Member and/or Guarantor to create security interest in favor of the Society while entering into the Agreement. The Member and/or Guarantor may create security of moveable or immovable property ("Secured Property") for securing the Loan Installments and all other sums due under this Agreement. Member and/or Guarantor covenants that on the date hereof, the Member and/or Guarantor is the absolute owner, in physical possession of the Secured Property and that the Secured Property has a good and marketable title and that save the charges created in favor of the Society, the Secured Property is free from all encumbrances.

5. FEES AND EXPENSES

The Member shall pay to the Society on demand within 15 days of such demand being made, all expenses (including legal and other ancillary expenses) incurred by the Society in connection with the negotiation, preparation and execution of the Principal Documents and of amendment or extension of or the granting of any waiver or consent under the Principal Documents.

6. PAYMENT OF CONTRACT PRICE

6.01 All payments to be made by the Member under this Agreement shall be made in full, without any set-off, roll over or counterclaim whatsoever, on the due date;

6.02 If at any time the Member is required to make any non-refundable and non-adjustable deduction or withholding in respect of Taxes from any payment due to the Society under this Agreement, the sum due from the Member in respect of such payment shall be increased accordingly. The Member shall promptly deliver to the Society any receipts, certificates or other proof evidencing the amounts (if any) paid or payable in respect of any deduction or withholding as aforesaid.

7. REPRESENTATIONS AND WARRANTIES

7.01 The Member warrants and represents to the Society that in the execution, delivery and performance of the Principal Documents by the Member, he will not contravene any existing law, regulations or authorization or constitutive document or resolutions to which the Member is subject;

7.02 No material litigation, arbitration or administrative proceedings is pending or threatened against the Member or any of its assets.

8. UNDERTAKING

8.01 The Member covenants to and undertakes with the Society that so long as the Member is indebted to the Society in terms of this Agreement: The member shall Create, perfect, insure and maintain the security in full to the satisfaction of the Society (and assign in favor of the Society) and maintain the Security in full force and effect at all times including the priority thereof; and enforce its rights as well as the Society's rights and title in respect of the secured assets;

8.02 It shall forthwith inform the Society of:

Any event or factor, any litigation or proceedings pending or threatened against the Member which could materially and adversely affect or be likely to materially and adversely Affect The Member's ability to meet its obligations.

10. DEFAULT

10.01 There shall be an event of default if in the opinion of the Society any representation or warranty made or deemed to be made or repeated by the Member in or pursuant to the Principal Documents or in any document delivered under this Agreement is found to be incorrect;

10.02 Notwithstanding anything contained herein, the Society may without prejudice to any of its other rights, at any time after the happening of an event of default by notice to the member declare that entire amount by which the Member is indebted to the Society shall forthwith become due and payable.

11. PENALTY

Where any amount is required to be paid by the Member under the Principal Documents on a specified date and is not paid by that date, or an extension thereof, permitted by the Society without any increase in the Contract Price, the Member hereby undertakes to pay directly to the charity fund, constituted by the Society, a sum calculated @ ____% per annum for the entire period of default, calculated on the total amount of the obligations remaining un-discharged. The charity fund shall be used at the absolute discretion of the Society, exclusively for the purposes of approved charity, not in any way connected with the beneficial interest of the Society.

12. INDEMNITIES

The Member shall indemnify the Society against any expense which the Society shall prove as rightly incurred by it as a consequence of;

(a) The occurrence of any event of default and any misrepresentation on the part of the member.

13. SET-OFF

The Member authorizes the Society to apply any credit balance to which the Member is entitled or any amount which is payable by the Society to the Member including any part of down payment money not already set off earlier at any time in or towards partial or total satisfaction of any sum which may be due or payable from the Member to the Society under this Agreement.

14. ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of and be enforceable by the Society, the Member, and respective successors permitted assigns and transferees of the Parties hereto, provided that the Member shall not assign or transfer any of its rights or obligations under this Agreement without the written consent of the Society. The Society may assign all or any part of its rights or transfer all or any part of its obligations and/or commitments under this Agreement to any Society, or other person.

15. FORCE MAJEURE

Any delays in or failure by a Party hereto in the performance hereunder if and to the extent it is caused by the occurrences or circumstances beyond such Party's reasonable control, including but not limited to, acts of God, fire, strikes or other labor disturbances, riots, civil commotion, war (declared or not) sabotage, any other causes, similar to those herein specified which cannot be controlled by such Party. The Party affected by such events shall promptly inform the other Party of the occurrence of such events and shall furnish proof of details of the occurrence and reasons for its non-performance of whole or part of this Agreement. The Parties shall consult each other to decide whether to terminate this Agreement or to discharge part of the obligations of the affected Party or extend its obligations on the basis of capabilities of each of the Party.

16. ARBITRATION

In the event of any dispute or difference between the parties hereto upon or in relation to or in connection with this Agreement, such dispute or difference shall be resolved amicably by mutual consultation or through the good offices of the arbitrators appointed by the cooperative in this regard under the Arbitration And Conciliation Act, 1996. The venue of arbitration shall be the registered office of the Society

17. GENERAL

17.01 No failure or delay on the part of the Society to exercise any power, right or remedy under this Agreement shall operate as a waiver thereof nor a partial exercise by the Society of any power, right or remedy preclude any other or further exercise thereof or the exercise of any other

power right or remedy. The remedies provided in this Agreement are cumulative and are not exclusive of any remedies provided by law;

17.02 This Agreement represents the entire agreement and understanding between the Parties in relation to the subject matter and no amendment or modification to this Agreement will be effective or binding unless it is in writing, signed by both Parties and refers to this Agreement;

17.03 Nothing contained herein shall prejudice or otherwise affect the rights and remedies that may otherwise be available under law to the parties;

17.04 Any reconstruction, division, re-organization or change in the constitution of the Society or its absorption in or amalgamation with any other person or the acquisition of all or part of its undertaking by any other person shall not in any way prejudice or affect its rights hereunder.

18. NOTICE

18.1 The two parties agree that any notice or communication required or permitted by this Agreement shall be deemed to have been given to the other party seven days after the same has been posted by registered mail or the next Business Day if given by a facsimile message or telex or by any other electronic means, or the next Business Day as counted from the date of delivery if delivered by courier mail.

18.2 All notices and other communications required to be served on either Party by the other Party including for violation of the terms of this Agreement shall be considered to be duly served if the same shall have been delivered by hand or posted by registered mail to;

(i) Incase of Society:

(Name, designation and complete address including PIN code of the Chief Executive of the Society to be given here)

(ii) Incase of Member:

(Name and complete address including PIN code of the member to be given here).

19. JURISDICTION

Subject to the other provisions of this agreement, the court at ____ shall have exclusive jurisdiction in all matters concerning this agreement including any matter arising out of the arbitration proceedings or any award made therein.

IN WITNESS WHEREOF, the Parties to this Agreement have caused this Agreement to be duly executed on the date and year first aforementioned.

Signature and seal

Signature

Party of First Part

Party of the Second Part

And Guarantors
Party of the Third Part

Signature (1)

Signature(2)

Annexure 1

PURCHASE REQUISITION

S. No. _____

Date: _____

To:

_____ [Insert name and address of the Society]

Dear Sirs,

PURCHASE REQUISITION FOR PURCHASE OF THE GOODS

(1)I/We (Member) hereby request you to purchase the Goods from the Suppliers as per details given below.

(a)Goods specification as detailed in Murabaha Document:

(b)Cost Price: _____

(c)Value Date: _____

(2) All the terms and conditions of the Murabaha Agreement to be entered into in consequence of this requisition form an integral part of this Requisition.

Yours faithfully,

For and on Behalf of the Member

Annexure 2**SCHEDULE OF PAYMENTS OF CONTRACT PRICE**

Payment Date	Installment Amount

SCHEDULE OF SECURITY

Description of Security	Nature of Charge First charge
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Annexure 3

RECEIPT OF MURABAHA ASSETS

AGREEMENT NO.[-----] DATED [-----]

Description of the Assets: -----

The Assets described above are received complete in all respect and in perfect working order and condition.

Delivery dated _____

1. Signature _____

Full Name _____

S/o.D/o.W/o. _____

Res.Address _____

SIGNED for and on behalf of the Member by:

Dated: _____

This document is not be part of the Agreement (for Society's internal use)

R E C E I P T

Received with thanks **Pay Order/Cross cheque, in the name of (Supplier Name)** from
(Society's Name)

_____ branch,
amounting to Rs. _____ (Rupees _____ only) for the
purchase of goods in respect of which a Quotation date _____ has
been issued by M/S _____ SUPPLIER _____.

In the event of failure on our part to supply the said goods within the period specified in the
Purchase Order, I/We undertake and agree to refund/reimburse the full amount of
Rs. _____ under and in terms of the Purchase Order.

For and on behalf of [Insert name of the Supplier)

Authorized Signatory

Date: _____