

Format of Memorandum of Understanding for Capital Investment

This Memorandum of Understanding (hereinafter referred to as "MOU") is made on this ____th day of _____, 20__ by and between:

Party A: [Full legal name and address]

AND

Party B: [Full legal name and address]

1. Purpose

The purpose of this MOU is to set forth the terms and understanding between the parties regarding the intended capital investment by Party B in the venture/project of Party A.

2. Investment Details

Party B intends to invest a capital amount of [amount] in [name/nature of business or project]. The mode and schedule of investment shall be as follows:

| Installment | Amount | Due Date |
|--------------------|----------|----------|
| First Installment | [Amount] | [Date] |
| Second Installment | [Amount] | [Date] |

3. Roles and Responsibilities

- Party A shall manage and operate the business/project as per the mutually agreed plan.
- Party B shall provide the agreed capital and may monitor the use of funds.
- Both parties shall collaborate and share periodic information regarding the use of investment and project progress.

4. Profit Sharing Arrangements

The profits/losses from the venture shall be shared in the following ratio: [specify ratio or percent, e.g., 60% (Party A): 40% (Party B)].

5. Term and Termination

This MOU shall remain in force from the effective date until [end date or condition for termination], unless terminated earlier by mutual consent.

6. Miscellaneous

- This MOU is a statement of intention and does not create any legally binding obligations, unless and until a detailed agreement is executed.
- Any amendments to this MOU must be made in writing and signed by both parties.
- In case of disputes, parties will seek amicable resolution through mutual discussions or mediation.

Signed For and On Behalf of Party A:

Name: _____
Designation: _____
Date: _____

Signed For and On Behalf of Party B:

Name: _____
Designation: _____
Date: _____

Important Notes

- This is a sample format; always consult with a qualified legal professional before finalizing any agreement.
- The MOU should clearly define all financial terms, responsibilities, and rights of each party.
- An MOU is generally not legally binding, but it demonstrates serious intent and mutual understanding.
- Specific terms and confidentiality provisions may need to be included depending on the nature of investment.