S. No.	Murabaha/Musawama	Interest-based Loan
1.	The subject matter is a commodity which is acquired by the Bank and then sold to the Customer.	The subject matter is money borrowed.
2.	The parties involved are seller (Bank) and purchaser (Customer).	The parties involved are lender (Bank) and borrower (Customer).
3.	The money is used for genuine purchase of the commodity/asset and the Customer becomes owner of the commodity after having purchased it from the Bank.	The Bank has nothing to do with the utilization of the funds borrowed.
4.	The Bank has to bear the risk of the commodity before selling it out to the Customer.	The Bank is not exposed to any risk of the commodity. The repayment of loan, in addition to the interest is guaranteed.
5.	Roll-over is not allowed. The sale price, once fixed, cannot be changed.	Loan can be rolled over against increase in interest payment.

S. No.	Diminishing Musharaka	Interest-based Financing
1.	The contract is effected only after the asset has come into a usable condition.	The contract is effected from the date the agreement is signed irrespective of the asset being usable or not.
2.	The Bank shares the risk of the underlying asset.	There is no risk-sharing in the asset.
3.	If the asset is damaged and is not in usable condition, rentals cannot be charged.	The Customer has to make repayments even if the asset is damaged.
4.	There is no late-payment penalty.	The Bank charges late-payment penalty in case of delay in loan repayments.