

BANGLADESH RURAL ELECTRIFICATION BOARD
DHAKA, BANGLADESH
PBS INSTRUCTION 200-17

SUBJECT : LONG TERM LOANS FROM BREB TO PBSs.

I. PURPOSE

This Instruction sets forth policy and procedures concerning long term loans from BREB to PBSs. Under the provisions of the Bangladesh Rural Electrification Board Act-2013, BREB is authorized and empowered to make loans for rural electrification to Palli Bidyut Samities (PBSs), for the purpose of financing the construction and operation of electric distribution lines or systems for furnishing electric energy to the people living in rural areas.

II. POLICY

In order to meet the working capital requirements of the PBSs, costs of construction, operation and maintenance of electric distribution system by the PBSs including taken over lines from other utility organizations, BREB will provide funds as long term loans both in cash and kind in the manner as stated herein.

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III. TYPE OF LOANS

BREB loans to PBSs in cash and kind will normally include the following items:

A. Cash loans for PBS's initial operating fund, working capital requirements, purchase of common plants, etc.

Authorization, allocation and payment of such cash loans will be governed and operated as per PBS Instruction 200- 08 (Operational Loan to PBSs).

B. Loans in kind in respect of:

- value of materials, supplies and equipment transferred to the PBS for its own consumption-either for construction or operation/maintenance purpose.

- all construction costs for work done by BREB for the PBSs.

- costs incurred in taking over and renovating different distribution entities' lines by BREB.

c. Other loans except cash and kind as mentioned above such as foreign consultancy costs(if not grant) and expenditures incurred by BREB which can be allocated to PBS functions during the various stages of construction, development and expansion of the Bangladesh Rural Electrification Program.

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IV. LOAN TERMS AND CONDITIONS:

The terms and conditions such as, purpose for which the loan is provided, schedule of principal and interest repayment, rate of interest, loan security and other terms and conditions pertaining to the loan from BREB shall be governed and administered as per contract of loan, the format of which is attached to this Instruction (**Annexure-01**).

The terms and conditions of loans to PBSS by BREB are summarized as follows:

Loan effective date: The effective date of the loan agreement between BREB and the PBS will commence from the date of registration of the PBS.

Utilization: The amounts of loan will be used in construction and operation of an electric system within the defined areas in which the PBS is located.

Repayment of Principal: Principal payments will be due in accordance with the terms of the loan contract. Generally as provided in loan contract, principal payments will begin after five (5) years of grace period. In case of first loan, grace period starts from the date of commercial energization and for subsequent loans, grace period starts from the date of first disbursement.

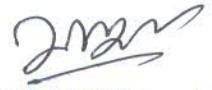
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Date of commercial energization means the date on which PBS first bills its consumers through energization of its own sub-station.

The Principal shall be repaid in twenty five (25) years after the grace period, in semi-annual installments.

Interest: Simple interest at a rate of 0.75% per annum will be charged on the net amount of the loan during the grace period of five (5) years starting from the date of disbursement by BREB or the date of commercial energization, whichever is later. Interest so calculated will be added to the Principal amount of the loan at the beginning of the 6th year.

Interest @ 3% per annum will be charged semi-annually on 31 March and 30 September after the grace (moratorium) period.

Loan Security: A first lien of the PBS total system will normally be regarded as security. It shall be in the form of a mortgage by the PBS to BREB as specified and attached to this Instruction (**Annexure-02, Mortgage Note**).

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Arranging additional loan: For arranging loan in addition to that mentioned in the loan contract in order to finance the expansion/intensification program, an addendum to the contract of loan is required to be executed between BREB and the concerned PBS in the form **(Annexure-03)** as attached to this Instruction.

Other terms and conditions: The loan contract and mortgage will include such other terms and conditions that are appropriately related to the loan.

V. ACCOUNTING AND CALCULATION OF LOAN AND INTEREST:

The PBS shall maintain records for loan from BREB and accounted for the same as per PBS Instruction 200-31. Interest during the moratorium period moratorium period and after the moratorium period shall be calculated in the manner as prescribed in PBS Instruction 200-31 (Determination of PBS Long Term Loan-Moratorium Period).

Enclosed:

1. Annexure-01 (15 pages)
2. Annexure-02 (Mortgage Note, 3 pages)
3. Annexure-03 (2 pages)

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CONTRACT OF LOAN

That this CONTRACT OF LOAN is made and entered into on this the day of _____ at _____ by and between BREB

(Registered address) and _____ Palli Bidyat Samity (Registered address) duly organized and existing under BREB-PBS by law and represented by its President for the time being hereinafter known and referred to as the "BORROWER" (which expression shall, unless the context shall not so admit, shall mean and include its successors-in-interest, nominees and assigns) of the ONE PART; and BANGLADESH RURAL ELECTRIFICATION BOARD (hereinafter called "BREB") a Govt. Corporation created under the Rural Electrification Board Ordinance, No. LI of 1977, subsequently covered by BREB ACT-2013 (hereinafter called the ACT) of Rural Electrification Board Nikunja-2, Joarshahara, Khilkhet, Dhaka- 1229.

WHEREAS, it is intended that the BREB shall lend, and the Borrower shall borrow out of the Rural Electrification Project Funds the money and other resources including a part of the proceed of a credit-----

----- to finance the construction and operation of Rural Electric Distribution System in rural areas as defined in Section I of Article I hereof

NOW THEREFORE, for and in consideration of the mutual agreements herein contain the Borrower and the BREB agree as follows:

ARTICLE - I**LOAN, NOTES AND SECURITY**

SECTION - 1 For the purpose of furnishing electric energy to potential consumers in rural areas not receiving central station, electric service the REB shall lend and the Borrower shall borrow Loan of Tk----- comprising of the net amount of the loan and accumulative interest which is calculated at a rate of 0.75% per annum during a grace period of five (5) years starting from the date on which the PBS is commercially energized.

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The net amount of the loan will be used to finance, pursuant to the provisions of the Ordinance. The construction and operation of an electric system (hereinafter called the "SYSTEM") consisting of electric distribution and service line and all substations, transformers, meters and other equipment necessary for the efficient operation hereof to be located in the Upazila of and the Upazila thereto, all in the District of People's Republic of Bangladesh. Equipment and materials will be financed and/or supplied for purchase to be financed by _____ and from Bangladesh sources, in a way that will provide the greatest benefit to the BORROWER and the People's Republic of Bangladesh. The REB shall from time to time issue Instructions that will prescribe the procedures applicable hereunder in connection with implementation of this Contract of Loan.

SECTION-2: The debt created by the Loan, including the interest during the grace period, shall be evidenced by notes to be executed by the Borrower payable to the order of the BREB. The Borrower shall pay annually to the REB entire commitment charge, as and when imposed, in addition to interest at the rate of three percent (3%) per annum. Refunds shall be applied in reduction to the indebtedness to the notes, and notes may be amended or substitute notes issued therefore upon agreement of both parties. Interest shall accrue on the principal of each note only in respect of which shall have been advanced to the Borrower from time to time on account of the loan and charged against such note.

The Borrower shall repay to the BREB interest as stated above on the outstanding balance of principal and on pay due and unpaid interest. Interest shall be computed on the basis of 365 day year.

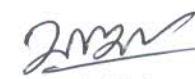
The Borrower shall repay to the BREB the principal together with interest due within thirty (30) years from the date of commercial energization of the borrower as a PBS in semi-annual installments, the first installment to be due and payable five (5) years after the date on which it is commercially energized. A schedule of principal re-payments calculated upon the basis of full disbursement of the loan is attached hereto (Note-1) as Schedule I and made an integral part hereof. If the schedule shall differ from the formula prescribed in this section, the latter shall govern.

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NOTE-1 Schedule will be provided at time of execution of loan contract. Should there be default in the payment of any loan amortization, the amount in arrears shall bear a penalty of one (1) percent per annum.

SECTION-3 Unless the BREB shall agree otherwise, the Borrower shall pay the interest on the notes with the 'interest earned and paid to the Borrower by Banks on account of the deposit of the loan funds.

SECTION-4 In the event that all of the funds disbursed for the further expansion program of the project shall not be required, the REB may request such funds as are considered excess to the needs for completion of the program to be refunded and such refund shall be credited in satisfaction of the indebtedness under the promissory note.

SECTION-5 The note shall be secured by a Mortgage made by the Borrower to the REB, hereinafter called the "Mortgage" as supplemented by such supplemental mortgages as may be made by the Borrower to the BREB.

The Borrower shall also take such action as the REB shall from time to time require to perpetuate or renew the lien on the Mortgages of any supplemental mortgage. The Mortgage and all supplemental mortgage, if any, shall be uniform and substance satisfactory to the BREB and collectively shall cover all the properties of the Borrower, now owned or hereinafter acquired.

SECTION-6 The Borrower shall execute and deliver to the Rural Electrification Board the note to be issued under and secured by the Mortgage and payable to the order of the Bangladesh Rural Electrification Board.

SECTION-7 Wherever used in this agreement, unless the context shall otherwise require, the several terms defined in the Project Agreement and in the general conditions (as defined in the Development Credit Agreement) have the respective meaning here-in-set forth.

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ARTICLE -II**ADVANCES AND DISPOSITION OF FUNDS**

SECTION-1 : The Borrower shall deliver to the BREB when directed by the BREB and subject to its approval, the following:

- a) The promissory note, the Mortgage between the BREB and the Borrower and such supplemental mortgages as the BREB shall require, all duly executed by the Authorized Representative of the Borrower.
- b) Evidence of appropriate corporate action authorizing the execution and delivery of the note, the Mortgage and any supplemental mortgage and amendments to this agreement.
- c) Evidence that the Borrower has duly registered when and where required by Bangladesh Law with all authorities and obtained there from the authorizations, permits and approval to the extent required by Bangladesh Laws in order to enable the Borrower to validly execute and deliver the Notes, the Mortgage and any supplemental mortgage and amendments to this agreement.
- d) Such opinions of counsel, as the BREB shall reasonably require.
- e) Evidence that a Certificate of Registration has been issued to the Borrower by the BREB pursuant to _____ and _____
- f) A statement of the name of person holding or acting in the office of the Borrower and a specimen signature of the person specified in such statement.

SECTION-2 Whenever BREB agrees that the Borrower can Performa part of their own construction, maintenance or operation the Borrower shall submit to BREB from time to time, requisitions in such form and detail as the BREB shall prescribe, requesting the BREB to make advances on account of the loan. Each requisition shall be in such form and detail as the BREB shall require to make advances on account of the loan. Each requisition shall be accompanied by the following:

- a) Evidence satisfactory to the BREB complies with the provision hereof;

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- b) A certificate of the Treasurer of the Borrower indicating all current balance in Bank accounts and itemizing all current unpaid obligations;
- c) A statement in such form and detail as the BREB shall prescribe setting forth the purposes for which the requested advance will be used by the Borrower.
- d) Such information, opinions, documents and proofs in addition to the foregoing as may reasonably be requested by the BREB.

SECTION-3 : The BREB agrees, that upon receipt of a requisition and accompanying documents complying with the provisions of Section 2 of this Article 2, shall within a reasonable time thereafter, if the Borrower has complied with the provisions of Section 1 of this Article 2, make an advance to the Borrower sufficient for such of the purpose specified in the statement of purposes accompanying the requisition as the BREB shall approve.

SECTION-4 The BREB shall disburse the funds to be advanced in accordance with Section 2 of this Article. The account (hereinafter called "Special Construction Account") in which all such monies will be deposited shall be designated by the corporate name of the Borrower followed by the Words "Trustee, Special Construction Account". Monies in any Special Construction Account shall be used solely for the Construction and Operation of the system and subject to the provisions of Section 5 and Section 2(c) of this Article hereof may be withdrawn only upon cheques, drafts, or orders signed on behalf of the Borrower and countersigned by Authorized Representative thereof or his assignee. The Borrower shall not deposit, or allow to remain on deposit any of its funds regardless of the source thereof, in any bank or other depository after notification by the BREB to the effect that such bank or other depository is not satisfactory.

SECTION-5 The Borrower shall expend its advance on account of the loan only for such of the purposes specified in the statement of purposes accompanying the requisition for such advance as 'shall have been approved.

SECTION-6 Any funds advanced on account of the loan remaining unexpended in any Special Construction Account upon the closing of the loan or upon the completion of the loan purpose shall be forthwith remitted by the Borrower to the BREB and a credit in respect thereof allowed against any one or more of the notes to be designated by the BREB.

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SECTION - 7 : Before any advances to the Borrower will be made by the REB on account of the loan for expansion of any part of the system, the Borrower shall obtain from the appropriate agency or agencies of the Bangladesh Government all necessary orders or approvals required in accordance with the laws or regulations of such agencies.

ARTICLE - III

AFTER THE INITIAL CONSTRUCTION BY BREB

SECTION-1 : The Borrower shall cause the system to be constructed under contract with a responsible contractor or contractors.

SECTION-2 : The system shall be constructed in accordance with the approved plans and specifications hereinafter provided for, the provisions of this agreement and all contracts and subcontracts made pursuant thereto. Construction of the system shall not be commenced until the BREB shall have indicated that conditions precedent under this agreement have been met.

SECTION-3 The Borrower shall undertake with due diligence the timely completion of the construction of the system in accordance with the approved plans and specifications or amendments thereto and with the requirements of this agreement.

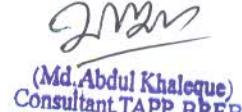
SECTION-4 The Borrower shall invite bid for construction work pertaining to the system and for materials, equipment or supplies to be used therein. The Borrower shall indicate in the invitation for bids or amendments thereto, the time and place of all bid opening and a copy of that notice will be furnished to the BREB. All bid openings will be public and the BREB will be given the opportunity to be present at the bid openings. The Borrowers shall award its contact to the lowest qualified bidder, unless all bids are rejected when it is found that it is in the best interest of the Borrower to do so, except that the Borrower, may, with the approval of the BREB, reject any bid which deviates from the engineers estimate by more than ten percent(10%).

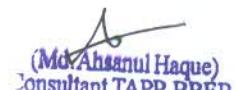
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SECTION-5 The BREB may inspect, examine and test all work and materials relating thereto and the Borrower shall provide reasonable facilities therefore at the Borrower's office for the use of the BREB and its duly authorized agent. The borrower shall enable representative to examine all plants, installation, sites, works, buildings, property and equipment of the system and any relevant records and documents, thereto and the Borrower shall provide reasonable facilities therefore at the Borrower's office for the use of the duly authorized representative of _____. All assisted works should have a sign indicating that the project is assisted by the _____. All major items of equipment procured with _____ funds should be suitably marked.

SECTION-6 The Borrower shall furnish to the BREB a copy of the final design for the system as soon as completed and all amendments thereto and approval by the BREB of the final design of the system and any amendments thereto shall be required before construction is begun on the system of any part thereof.

SECTION-7 : The Borrower shall obtain the approval of the BREB for the firm selected to undertake construction of the project.

SECTION-8 The Borrower shall forthwith, upon receipt thereof, deliver to the BREB a copy of any contractor's or subcontractors bond or bonds/insurance relating to the construction of the system, provided that such bond or bonds/insurance issued by bonding/underwriting companies are acceptable to the BREB.

ARTICLES - IV

PARTICULAR COVENANTS

SECTION-1 Retail tariff set by BERC depending upon the information provided by BREB in different form supplied by the BERC.

SECTION-2 The Borrower shall, until such time as the tariff structure referred to in section I of this Article is implemented pursuant to the provision thereof, ensure that the average price of Kwh sold shall not be less than the average price per kwh sold by BPDB.

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SECTION-3 The Borrower shall: (i) operate the scheme within its project sub-areas with due diligence and efficiency and in accordance with sound administrative, financial and public utilities standards and maintain adequate records to reflect in accordance with consistently maintained appropriate accounting practices its operations and financial condition; (ii) assure that the goods financed out of the proceeds of the credit be used exclusively in the carrying out of the project; (iii) furnish all such information as required or BREB shall reasonably request relating to the administration, operations and financial condition of the Borrower and the benefits to be derived from the project and (iv) recognize the right of BREB to suspend or terminate its operation upon failure to perform any of its obligations under this Agreement.

SECTION-4 The Borrower shall: (a) carry out its operations and conduct its affairs in accordance with sound administrative, financial and public utilities practices under the supervision of qualified and experienced management assisted by competent staff in adequate numbers: (b) at all times operate and maintain its plant, machinery, equipment and other property and from time to time, promptly as needed, make all necessary repairs and renewals thereof, all in accordance with sound engineering, financial and public utilities practices.

SECTION-5 : The Borrower shall take all such measures (including without limitation, adjustments of the structures or levels of their retail tariffs) as shall be required to produce, in each fiscal year: (i) as of the sixth year of the operation of the respective scheme, gross revenues from all sources related to the Borrowers operations sufficient to meet its electricity purchases, administrative expenses, depreciation and interest expenses; and (ii) as of the seventh year of operation of the respective scheme funds from internal sources equivalent to not less than 20% of the annual average of the Borrower's capital expenditure incurred, or expected to be incurred, during such fiscal year, the preceding year and next following fiscal year in accordance with sound financial management.

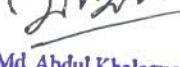
SECTION-6 The Borrower shall within three (3) months before the start of each fiscal year review the adequacy of its tariffs in view of the requirements set forth in section 5 for the current and next fiscal year and shall furnish BREB a copy of such review.

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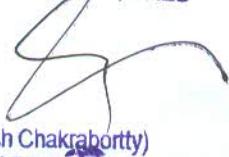

(Md. Mozibur Rahman)
Consultant, TAPP, BREB


(Md. Ummidul Islam)
Consultant, TAPP, BREB


(Md. Mozammel Huq)
Consultant, TAPP, BREB


(Md. Abdul Khaleque)
Consultant TAPP, BREB


(Md. Ahsanul Haque)
Consultant, TAPP, BREB


(Debasish Chakraborty)
PD, TAPP, BREB.


(Kamrul Ahsan Molla)
Asst. Secy. (Board), BREB.

৬২১ তম বোর্ড সভায় অনুমোদিত সিদ্ধান্ত নং ১৭৭০০

SECTION-7 : The Borrower shall ensure that the accounts payable to BPDB/PGCB/IPP/CPP for electricity purchased shall at no time exceed the equivalent of the preceding 2(two) months purchases.

SECTION-8 The Borrower shall designate, subject to the BREB's approval:

- a) A bank or banks in which the funds of the Borrower, regardless of the source thereof, shall be deposited.
- b) One or more engineers who shall perform the engineering services involved in the construction of the system, or the several construction sections thereof, and who shall execute all certificates and other instruments pertaining to engineering details required hereunder to be delivered to the BREB; and
- c) A person who shall act as the General Manager of the system.

SECTION-9 The Borrower shall take out, at such time as the respective risks are incurred and maintain at all time, until the loan and advances made therein shall have been fully paid, insurance with a reputable insurance company or companies acceptable to the BREB, of such classes and in such amounts as the BREB shall have determined to safeguard the interests of the Borrower and the BREB. The Borrower shall submit to the BREB a schedule of the insurance which it proposes to take out and following the BREB's approval, shall deliver to the BREB for its approval, originals or duplicate, originals of policies effecting such insurance or certificates in respect thereof. The Borrower shall from time to time make such changes in such insurance as the BREB shall determine to be advisable. In the event that the Borrower shall fail to take or maintain insurance determine by the BREB to be advisable as aforesaid, the BREB may take out such insurance on behalf of the Borrower and the Borrower shall pay the cost thereof from its special Construction Account. Nothing herein contained shall limit the obligations of the Borrower to take out and maintain insurance pursuant to the provisions of the Mortgage and any supplemental Mortgage (if any).

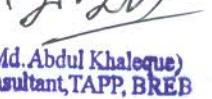
SECTION-10 : The Borrower shall submit to the BREB, when required, evidence that the Borrower has obtained such easements from landowners and releases from lienor and such franchises, authorizations, permits, licenses, certificates of public convenience and necessity, approvals and orders from public bodies.

Page: 9/16


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৬২১ তম বোর্ড সভায় অনুমোদিত সিক্ষান্ত নং ১৯৯০

and others, as the BREB shall deem necessary or advisable in connection with the system. If required to do so by the BREB the Borrower shall cause such easements and releases to be recorded in appropriate offices of record. None of the funds advanced on account of the loans ;shall be used by the borrower to pay for easements obtained from landowners or releases obtained from lien or, without prior approval of the BREB.

SECTION-11 The Borrower shall make diligent effort to extend electric service to all potential consumers on an area coverage basis, within the service area of the Borrower who (a) desire such service, and (b) meet all reasonable requirements established by the Borrower as a condition of such service. The Borrower shall make diligent effort to obtain applications for membership from all such potential consumers, and shall accept such applications and subscriptions by appropriate corporate action.

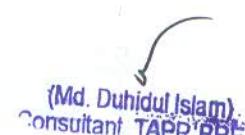
SECTION-12: The Borrower shall establish or adopt rates, rules and regulations, policies and all other terms and conditions affecting its extension and furnishing of service shall be such as to assure achievement of the loan purpose and that the same shall be filed with and for such purpose. approved by, the BREB before being put into effect or changed by the Borrower.

SECTION-13 The BREB through its duly authorized agents, representatives accountants or attorneys, shall at all times, during reasonable business hours have access to and the right to inspect and make copies of all such books, records, accounts and all invoices, contracts, leases, payrolls, cancelled cheques, statements, plants, specifications, drawings and other documents and papers of every kind pertaining to the system; or the construction thereof. The duly authorized representative of (Appointed auditor) shall at all times during reasonable Business hours have access to and right to inspect and obtain copies of all such books, records, accounts and all invoices, contracts, lease, payrolls , cancelled cheques, statements, plants, specifications, drawings and other documents and papers of every kind pertaining the system or construction thereof.

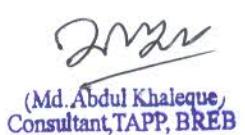
SECTION-14 : The Borrower shall perform all covenants by it to be performed under the Mortgage or any supplement mortgage.

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Asst. Secy. (Board), BREB

৬২১ তম বোর্ড সভায় অনুমোদিত সিদ্ধান্ত নং ১৭৭০০

SECTION-15: The Borrower covenants that it shall not operate or energize any portion of the system until the Borrower and the BREB shall have determined that:

- a) Such portion of the system has been properly constructed and is ready to be operated or energized; and
- b) The Borrower has complied with the provision of section 10 of this Article-IV in respect of such portion of the system.

The Borrower shall not serve any consumer through this system until the Borrower shall be determined and such consumer's premises have been properly wired.

SECTION-16 : The Borrower represents and warrants as follows:

- a) It is a body duly organized, existing and in good standing under the laws of Bangladesh specified in the introductory paragraph of this agreement and is duly authorized to perform every act required to be performed by it hereunder;
- b) All proceedings pre-requisites to the valid execution of this agreement by it has been duly taken and all required authorizations there for have been secured or will be secured;
- c) The status of the Borrower in respect of litigation and other legal proceedings as set forth in an opinion of the Borrower's counsel to be submitted at such times as the RFI may require;
- a) It has not entered into any contract for the construction of any portion of the system, or for engineering or other services pertaining to the construction or operation of the system or for the acquisition of existing facilities to be included in the System, if any, except as shall be approved by the BREB, nor has it purchased, with funds advanced or to be advanced on account of the loan any materials, equipment or supplies for use in connection with the construction unless bids for such items shall have been approved by the BREB and the award of the contract shall be made in compliance with procedures approved by the BREB for contract selection; and

Page: 11/16

(Md. Mozibur Rahman)
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(Ma. Dunidul Islam).
Consultant: TAPP/BREB

Md. Mozammel Huq,
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(Debasish Chakraborty)
PD,TAPP, BREB,

(Kamal Singh Ji Ji)
Asst. Secy. (Board), B.R.E.P.

୬୨୧ ତମ ବୋର୍ଡ ସଭାଯ ଅନୁମୋଦିତ ସିନ୍ଧାନ୍ତ ନଂ ୧୭୭୦୦

e) Every statement contained in this agreement and in every other document, statement, certificate and opinions submitted to the BREB by it or in its behalf in connection with the loan and this agreement is true and correct.

SECTION-17 The Borrower represents and warrants that no fee or commission has been or shall be paid and no agreement therefore has been or shall be entered into by the Borrower or any of its officials, employees, agents or representatives in order to obtain the loan.

SECTION-18 No funds shall be advanced by the BREB on account of this loan to finance (subsequent to initial construction) the acquisition of any real property by the Borrower or any construction thereon until the Borrower shall have submitted evidence satisfactory to the REB that it has acquired or will acquire such right, title or interest in such real property as the BREB may require.

ARTICLE - V

EVENTS OF DEFAULTS AND REMEDIES

SECTION-1 The happenings of any of the following events (hereinafter called "Events of Default") shall constitute a default by the Borrower hereunder

- a) Any material failure to perform or any material violation of any term, covenant, promise, condition or agreement on the part of the Borrower to be performed hereunder at the time and in the manner herein provided; or
- b) Any breach of any warranty or any material or substantial inaccuracy in any representation on the part of the Borrower; or
- c) Any event of default which is specified in the mortgage or any supplemental mortgage or violation of any rule or regulation promulgated by the REB.

SECTION-2 Upon the happenings of any event of default as specified in Section-1 of this Article V, the BREB may exercise one or more of the any following rights, privilege, powers and remedies to the extent that the exercise thereof is not prohibited by law:

Page: 12/16


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Consultant TAPP, BREB


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(Md. Abdul Khaleque)
Consultant TAPP, BREB


(Md. Ahsanul Haque)
Consultant TAPP, BREB


(Debasish Chakraborty)
TAPP, BREB


(Kamal Akbar Molla)
Arch. Secy. Board of Govt.

৬২১ তম বোর্ড সভায় অনুমোদিত সিদ্ধান্ত নং ১৯৯০০

- a) Refuse to make, secure, as agent, or give any lawfully require approval to any new loan to the Borrower;
- b) Withhold without limitation the BREB's advancement, or withhold its approval for any other lender with respect to which the BREB has such approving power to make advancement of funds pursuant to any loan already made to the Borrower;
- c) Withhold any technical or professional assistance otherwise being furnished or that might be furnished to the Borrower;
- d) Foreclose any mortgage or deed of trust or other security held by the BREB on the properties of such borrower in connection with which the BREB may, subject to any superior or co-equal rights in such lien held by any other lender :
 - i) Bid for the purchase or otherwise acquire such properties;
 - ii) Pay the purchase price thereof and any costs and expenses incurred in connection therewith out of the BREB fund;
 - iii) Accept title to such properties in the name of the Bangladesh Rural Electrification Board; and
 - iv) Operate or leases such properties for such period not exceeding five years and in such manner as may be deemed necessary or advisable to protect the investment therein, including the improvement, maintenance rehabilitation of foreclosed system, but the BREB shall, within five years after acquiring such properties, sell the same for such consideration as it determines to be reasonable and upon such terms and conditions as determines most conductive to the achievement of the purpose of the ordinance.
- e) Refuse to make any advance or approval or requisition on account of the loan.
- f) Declare all unpaid principal of any or all of the notes held by the holder to be due and payable immediately and upon such declaration all such principal shall become 19 due and payable immediately. Anything herein or in any other agreement to which the Borrower shall be a party or in the notes or in the Mortgage or any supplemental mortgage to the contrary notwithstanding;

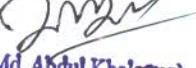
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 (Md. Mozibur Rahman) (Md. Ummidul Islam)
 Consultant TAPP, BREB Consultant TAPP, BREB


 (Debasish Chakraborty)
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 (Md. Mozammel Huq)
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৬২১ তম বোর্ড সভায় অনুমোদিত সিদ্ধান্ত নং ১৭৭০০

g) Exercise all rights provided under the BREB mortgage agreement including taking possession of any utilizing all equipment, materials, tools, supplies and appliances or other properties wherever located, belonging to the Borrower and any funds in any special construction account and all books, papers, records, documents and accounts of the borrower relating to the system and up to the limitation of the funds provided under this loan, complete or cause to be completed by contract or otherwise, the construction of the system or such portion thereof as the BREB may determine and the amount advanced therefore up to the limit of the funds advanced under this loan may be charged for the loan agreement;

h) Take any other lawful remedial measure.

SECTION-3: Every right, privilege, power or remedy herein or in the Notes or in the mortgage or in any supplemental mortgage converted upon or reserved to the BREB or any holder or holders or the Notes shall be in addition to every other right, privilege, power and remedy now or hereafter existing at law or in equity or by statute. The pursuit of any right, privilege, power or remedy shall not be construed as an election.

ARTICLE - VI MISCELLANEOUS

SECTION-1: Any reference herein to the BREB shall be deemed to mean the duly authorized representative of BREB or any other person of authority in whom may be vested the duties and functions which the BREB is not or may hereafter be authorized by law to perform.

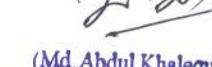
SECTION-2: The term "Final Design" as used herein shall refer the final design of the system and amendments thereto; the term "Specification" as used herein shall refer to a description of the requirements to be met for procurement of goods, materials and supplies and service and the procedures or methods to be used in construction of the System, and terms "Note" or "Notes" shall include the terms "Bonds" as the case may be.

Page: 14/16


(Md. Mozibur Rahman,
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(Kamrul Ahsan Mollik)
Asst. Secy. (Board), BREB.

৬২১ তম বোর্ড সভায় অনুমোদিত সিক্ষান্ত নং ১৭৭০০

SECTION-3: The BREB may waive the performance or doing of any one or more of the acts to be performed or things to be done by the Borrower, and any provisions hereof may be modified or amended by mutual consent of the Borrower and the BREB.

SECTION-4: The Borrower shall not assign this Agreement or any part hereof or any monies due or to become due hereunder.

SECTION-5: The descriptive heading of the various articles hereof was formulated and inserted for convenience only and shall not be deemed to effect the meaning or construction of any of the provisions hereof. The invalidity of any one or more phrases, clauses, sentences, paragraph or provisions of this Agreement shall not affect any remaining portion or portions hereof.

SECTION-6: All demands notices, approvals, designations, or direction permitted or required to be made or given to the Borrower hereunder shall be mailed to the Borrower at the following address:

(Address to be inserted here)

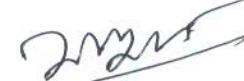
Or such address as the Borrower shall designate in writing to the BREB.

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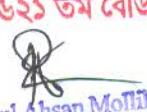

(Md. Duhidul Islam)
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(Md. Abdul Khaleque)
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PD, TAPP, BREB


(Kamrul Ahsan Molla)
Asst. Secy. (Board), BREB

৬২১ তম বোর্ড সভায় অনুমোদিত সিক্রিয় নং ১৭৭০০

All notices, designation or communications permitted or required to be given or sent to the BREB hereunder shall be mailed to the following address :

Bangladesh Rural Electrification Board
Nikunja-2
Joarshahara, Khilkhet
Dhaka-1229.

or such other address as the BREB shall designate in writing to the Borrower.

IN Witness WHEREOF, the Borrower has caused this instrument to be signed in its corporate name and attested by its official there unto duly authorized and the BREB has caused this agreement to be duly executed, all as of the date and place first above written.

By:

Attest

Secretary

President

Witness:

Bangladesh Rural Electrification Board

By :

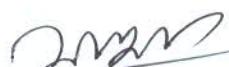
Secretary

Page: 16/16


(Md. Mozibur Rahman)
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৬২১ তম বোর্ড সভায় অনুমোদিত সিক্রেত নং ১৭৭০০

MORTGAGE NOTE (INTEREST BEARING)

Dated:

PBS, Bangladesh (hereinafter called the "Corporation"), a Corporation organized and existing under authority of BREB-PBS By-Law No. 1, for value received, promises to pay to the order of the Bangladesh Rural Electrification Board (hereinafter called the "BREB"), Nikunja-2, Joarshahara, Khilkhet, Dhaka-1229. Bangladesh, at the times and in the manner hereinafter provided, the sum of Tk (-----)

(-----) advanced by the BREB, pursuant to a certain Electrification Loan Contract, dated as of between the BREB and the Corporation, as the same may have been amended from time to time (said loan contract, as it may have been amended, (being hereinafter called the "Loan Contract"), and remaining unpaid from time to time.

The principal advanced pursuant to the loan contract and remaining unpaid shall be payable semi-annually on the last day of March and September of each year for a period ending on a date thirty (30) years after the date hereof. Thereafter, to and including a date five (5) years after the date thereof, the Corporation shall make a payment on each of said semi-annual dates in each year at the rate of Tk 30 (thirty) per Tk1,000 (one thousand) of the principal amount hereof advanced pursuant to the Loan Contract and the payment of interest including commitment charge, if any, shall be payable according to the terms of the contract of loan.

Each payment made on this Note shall be applied to the principal thirty (30) years after the date hereof, the principal hereof advanced, pursuant to the Loan Contract remaining unpaid, if any, shall become due and payable.

The Corporation on any payment date, as hereinabove provided; may pay all or any part of the Principal hereof then advanced pursuant to the Loan Contract and remaining unpaid, but so long as any of the Principal hereof advanced pursuant to the Loan Contract shall remain unpaid, the Corporation shall be obligated to make the semi-annual payment on account of Principal, in the amount hereinabove provided, unless the Corporation and the holder of this Note shall otherwise agree.

Page: 1/3

MDR
(Md. Mozibur Rahman)
Consultant, TAPP, BREB

MDI
(Md. Duhidul Islam)
Consultant, TAPP, BREB

MMH
(Md. Mozammel Huq)
Consultant, TAPP, BREB

AKH
(Md. Abdul Khaleque)
Consultant, TAPP, BREB

AHH
(Md. Ahsanul Haque)
Consultant, TAPP, BREB

DCB
(Debasish Chakraborty)
PD, TAPP, BREB

KAMAL
(Kamal Akbar Maiti)
Asst. Manager, M&S Class V
Accounting Department

৬১১ তম বোর্ড সভায় অনুমোদিত সিক্রেট নং ১৭৭০০

This Note has been executed and delivered pursuant to and is secured by a certain First Mortgage as the same may have been amended or supplemented by any supplemental mortgage or supplemental mortgages (said mortgage and any such supplemental mortgage or supplemental mortgages being hereinafter collectively called the "Mortgage") and is one of several notes (hereinafter called the "Notes") permitted to be executed and delivered by the Corporation pursuant to the Mortgage. The Mortgage provides that all notes shall be equally and ratably secured thereby and reference is hereby made to the Mortgage for a description of the property mortgaged and pledged, the nature and extent of the security and the rights of the holders of Notes with respect thereto.

In case of default by the Corporation, as provided in the Mortgage, all principal advanced pursuant to the Loan Contract and remaining unpaid, on this Note and any other Notes at the time outstanding, and all interest thereon, may be declared or may become due and payable in the manner and with the effect provided in the Mortgage.

This Note evidences indebtedness created by a loan made under the Bangladesh Rural Electrification Board ACT-2013 and PBS Instruction 200-16, 200-17, and 200-31.

If the BREB, at any time assign this note and insure the payment hereof, the Corporation shall continue to make payments hereunder to the BREB as collection agent for the insured holder, for purposes of the Mortgage, the BREB, and not such insured holder, shall be considered to be and shall have the rights of, the Note holder.

If the BREB, at any time prior to the advance of the entire Principal amount hereof on account of this Note, shall make a written endorsement hereon stating the amount advanced on account of the Principal hereof, and shall notify the Corporation in writing, of such endorsement, then the Principal amount of this Note shall be deemed to be and shall become reduced to the amount specified in such endorsement and the Corporation shall then execute and deliver to the BREB one or more additional Notes, in an amount or amounts designated by the BREB which in the aggregate shall be equal to the then un-advanced portion of the original Principal amount of this Note, such additional Notes to be dated currently when executed, to be in the same form as this Note.

Page: 2 / 3

(Md. Mozibur Rahman)
Consultant, TAPP, BREB

(Dr. D. Shidul Islam)
Consultant TAPP BREP

(Md. Mozaffarul Haq)
Consultant, TAPP-BRER

(Md. Abdul Khaleque,
Consultant TAPP RREF)

(Md. Ahsanul Haque)
Consultant TAPP BRE

(Debasish Chakraborty
PD,TAPP, BREB)

(Kamrul Ahsan Mollik)
Asst. Secy. (Board), BRB.

୬୨୧ ତୟ ବୋର୍ଡ ସଭାଯ ଅନୁମୋଦିତ ଶିକ୍ଷାନ୍ତ ନଂ ୧୭୭୦୦

The Corporation, upon the request therefor in writing by the BREB shall execute and deliver to the BREB two or more Notes, in substitution for this Note in the same form and evidence only and un-advanced portion of this Note may, at the discretion of the BREB be dated currently when executed, in an aggregate Principal amount which shall be equal to the principal amount of this Note, but in individual Principal amounts as the BREB shall request; provided that (i) all payments which shall have been made on account of the Principal of this Note shall be credited on account of such substitute notes and (ii) the BREB shall return this Note to the Corporation upon receipts of such substitute Notes.

IN WITNESS WHEREOF the Corporation has caused this Note to be signed in its corporate name and its corporate seal to be hereunto affixed and attested by its officers thereunto duly authorized, all as of the day and year first above written.

(SEAL)

By

PBS

PBS

President

Attest:

Secretary
-PBS Board

Witness:-----
Secretary, BREB

Page: 3/3


(Md. Mozibur Rahman)
Consultant, TAPP, BREB


(Md. Duhidul Islam)
Consultant, TAPP, BREB


(Md. Mozammel Huq)
Consultant, TAPP, BREB


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Consultant, TAPP, BREB


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PD, TAPP, BREB

৬২১ তম বোর্ড সভায় অনুমোদিত সিক্ষাত্ত নং ১৭৭০০

(Kamrul Ahsan Molla)
Asst. Secy. (Board), BREB.

ADDENDUM TO THE CONTRACT OF LOAN EXECUTED BETWEENBREB and PBS

For arranging, additional loan to PBS to finance the expansion/intensification program under ACRE phase the following Addendum to the Contract of Loan is hereby agreed upon between BREB and PBS.

ARTICLE - ILOAN, NOTES AND SECURITY

Section-1: For the purpose of furnishing electric energy to potential consumers in rural areas not receiving central station electric service, the BREB shall lend and the Borrower shall borrow an additional loan of Tk _____ (Taka

comprising of the net amount of the Loan and accumulative interest which is calculated at a rate of 0.75% per annum during the grace period of five (5) years starting from the date of first disbursement of loan effecting from-----. The net amount of the loan will be used to finance, pursuant to the provisions of the BREB ACT-2013, the construction and operation of an electric system (herein after called the "SYSTEM") consisting of electric distribution and service lines and all sub-stations, transformers, meters and other equipment necessary for the efficient operation thereof to be located in the Upazila of _____ and the contiguous thereto, all in the District of _____ People's Republic of Bangladesh. Equipment and Materials will be financed and/or supplied for through purchase to be financed by and from Bangladesh sources, in a way that will provide the greatest benefit to the BORROWER and the People's Republic of Bangladesh. The BREB shall from time to time issue instructions that will prescribe the procedures applicable hereunder in connection with implementation of this contract of Loan.

Section-2: The debt created by the Loan, including the interest during the grace period, shall be evidenced by notes to be executed by the Borrower, payable to the order of the BREB. The Borrower shall pay annually to the BREB entire commitment charge, as and when imposed, in addition to interest at the Rate of three percent (3%) per annum. Refunds shall be applied in reduction to the indebtedness to the notes, and notes may be amended or substitute notes be issued therefor upon agreement of both parties. Interest shall accrue on the principal of each note which have been advanced to the Borrower from time to time on account of the Loan and charged against such note.

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৬২১ তম বোর্ড সভায় অনুমোদিত সিক্ষাত্ত নং ১৭৭০০

The Borrower shall pay to the BREB interest as stated above on the outstanding balance principal and also pay due and unpaid interest. Interest shall be computed on the basis of a 365 day year.

The Borrower shall repay to the BREB the principal together with interest due within thirty (30) years from the date of first disbursement of loan in semi-annual installments, the first installment to be due and payable five (5) years after the date of first disbursement of Loan. A schedule of principal repayments calculated upon the basis of full disbursement of the loan is attached hereto (Note - 1) as schedule 1 and made an integral part hereof. If the schedule shall differ from the formula prescribed in this section, the later shall govern.

Note-1 Schedule will be provided at the time of executing loan contract. Should there be default in the payment of any loan amortization, the amount in arrears shall bear a penalty of one percent (1%) per annum.

Note 2 All other terms and conditions of the Contract of loan as amended from time to time shall be applicable for this additional loan.

BREB

PBS

Secretary

President

Witness: _____

Attest:-----

Secretary
-PBS

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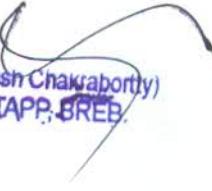

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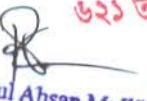

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