

**ANNUAL PERFORMANCE AGREEMENT**  
POWER DIVISION, MINISTRY OF POWER, ENERGY & MINERAL RESOURCES  
AND  
DHAKA ELECTRIC SUPPLY COMPANY LIMITED (DESCO)

This ANNUAL PERFORMANCE AGREEMENT is made and entered into on this the ..... day of April 2015.

BETWEEN

Power Division, Ministry of Power, Energy and Mineral Resources, Bangladesh Secretariat, Dhaka-1000 represented by the Secretary, Power Division, Ministry of Power, Energy and Mineral Resources (which expression shall include its successor in interest legal representative, executor, administrator & assigns etc.) of the 1<sup>ST</sup> PART.

AND

Dhaka Electric Supply Company Limited (DESCO), a Public Limited Company duly incorporated under the Companies Act, 1994 represented by its Managing Director having its corporate Office at House #22/B, Farookh Sarani, Nikunja-2, Dhaka -1229, Bangladesh hereinafter referred to as DESCO of the 2<sup>ND</sup> PART.

WHEREAS, it is intended that Power Division has signed ANNUAL PERFORMANCE AGREEMENT (FY2014-15) with the Cabinet Division on 9 March 2015. Pursuant to this Agreement Power Division has set Key Performance Indicators (KPIs) of DESCO and intends to sign the agreement with the Company.

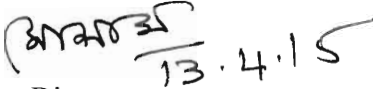
Where the objectives of Performance Indicators (PIs) are to bring transparency, accountability, accessibility, agility, efficiency, commercial environment and improved customer service in accomplishing its functions. Each KPI will be given Weight Factor which will be used to evaluate overall annual performance against the target of the entity.


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Power Cell, Power Division, Ministry of Power, Energy and Mineral Resources will monitor and evaluate the performance targets and submit reports to the Power Division annually.

NOW THEREFORE, for and in consideration of the ANNUAL PERFORMANCE AGREEMENT the undersigned company and Power Division do hereby agree to the KPI targets mentioned in Annex-A

IN WITNESS WHEREOF both parties have caused this ANNUAL PERFORMANCE AGREEMENT to be signed in its corporate name and its corporate seal to be hereunto affixed and attested by its officers thereunto and duly authorized, all as of the day and year first above written.

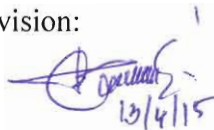
  
13.4.15  
Managing Director  
Dhaka Electric Supply Co. Ltd.

  
13.04.2015  
Secretary  
Power Division  
Ministry of Power, Energy & Mineral Resources

Witnesses:

1. Representative of Power Division:

2. Representative of DESCO:

  
13/4/15

## Key Performance Indicators Target under Strategic Objectives (FY 2014-15): DESCO

SN	Performance Indicator(PI)	Unit	Target 2014-15	Weight of PI	Target Criteria Value				
					Excellent	Very Good	Good	Fair	Poor
					100%	90%	80%	70%	60%
1	Construction of new distribution lines	Km	100	7	100	90	80	70	50
2	Construction/ Capacity enhancement of distribution substation & transformer(DTr)	MVA	300(S/S 200 & DTr 100)	5	300(S/S 200 & DTr 100)	285(S/S 190 & DTr 95)	270(S/S 180 & DTr 90)	240(S/S 160 & DTr 80)	150(S/S 100 & DTr 50)
3	Distribution system loss	%	8.40	7	8.40	8.41	8.42	8.43	8.50
4	Installation of prepaid meter	No.	4000	5	4000	3000	2400	2000	1600
5	Access to Electricity	%	92	6	92	91.75	91.50	91.25	91
6	New connection to the Households	No.	30,000	6	30,000	28,000	26,250	24,500	22,500
7	Per Capita Electricity Consumption	KWh	500	6	500	295	290	285	280
8	Minimum Annual Training hour per employee	Hours	60	5	60	55	50	40	30
	<b>Sub-Total(A)</b>			<b>47</b>					
9	Accounts Receivable		2.02		2.02	2.05	2.10	2.15	2.20
	Govt./Semi Govt.	Eqv. Months	5.0	5	5.0	5.07	5.19	5.32	5.44
	Private	Eqv. Months	1.65	6	1.65	1.67	1.71	1.75	1.80
10	Collection Bill Ratio	%	99.50	6	99.50	99.30	99.20	99.10	99.0
11	Collection Import Ratio	%	91.14	3	91.14	90.95	90.85	90.75	90.59
12	Current Ratio	Ratio	2:1	2	2:1	1.95:1:1	1.90:1	1.85:1	1.80:1
					2:1	2.05:1:1	2.10:1	2.15:1	2.20:1
13	Quick Ratio	Ratio	1:1	2	1:1	0.95:1	0.90:1	0.85:1	0.80:1
					1:1	1.05:1	1.10:1	1.15:1	1.20:1
14	Debt Service Coverage Ratio	Ratio	2:1	2	2:1	1.95:1	1.90:1	1.85:1	1.80:1
15	Power Factor at each Billing Point	%	95	2	95	94	93	92	91

SN	Performance Indicator(PI)	Unit	Target 2014-15	Weight of PI	Target Criteria Value				
					Excellent	Very Good	Good	Fair	Poor
					100%	90%	80%	70%	60%
16	System Average Interruption Duration Index (SAIDI)	Minutes	750	1	750	770	780	790	800
17	System Average Interruption Frequency Index (SAIFI)	No.	30	1	30	32	34	36	38
18	Implementation of Annual development Program (Physical )	%	100	2	100	90	85	80	75
19	Implementation of Annual development Program (Financial)	%	100	2	100	90	85	80	75
20	Reduction of overloaded Transformer	%	50	4	50	45	40	35	30
<b>Sub-Total(B)</b>				<b>38</b>					
<b>Total(A+B)</b>				<b>85</b>					