

RURAL & AGRI-BUSINESS DEPARTMENT

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TO  
ALL BRANCHES/ OFFICES

**INCENTIVE SCHEME FOR OUTSTANDING  
PERFORMANCE IN LENDING TO DIRECT AGRICULTURE FOR FY 2012-13**

**HIGHLIGHTS**

- Cash Incentive of Rs. 75000/- to "Top Zonal Office " on All India basis
- Cash Incentive of Rs. 50000/-, Rs 40000/-, Rs 35000/- to three "Top Regional Office " on All India basis
- Cash Incentive of Rs. 75000/-, Rs 60000/-, Rs 50000/-, Rs 40000/- & Rs 35,000/- to Top 5 "All India Topper Branch" on All India basis
- Cash Incentive of Rs. 30000/-, Rs 25,000/- & Rs 20,000/- for "RO Topper Branch" , 3 Top branches of each Regional Office.

1. An incentive scheme was launched last year to reward outstanding performers who effectively performed and achieved the targets set by Bank for Direct Agriculture Lending. The response was good from the field functionaries. Although we failed to achieve the stipulated benchmark under Agriculture, yet we were able to achieve growth rate of 28.66 % and 29.48 % in Direct Agriculture & Total Agriculture advances respectively.
2. To motivate the Field functionaries in giving their maximum efforts towards achieving the benchmark and reward their outstanding performance. it has been decided to continue the Incentive scheme this year too. Based on the feedback from field, necessary changes have been incorporated in the methodology for selecting winners under the scheme.

The salient features of the Scheme are as under:

**3. Objective of the scheme:**

The basic objective of the scheme is to identify, recognize, motivate and suitably reward the staff members working in branches for extending advances to Direct Agriculture.

**4. Target Group:**

Zonal Heads, Regional Heads, Branch Managers, Rural Development Officers (RDOs) at Branches and Incharge Priority Sector Lending Department at Administrative offices.

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## 5. **Campaign Period:**

The campaign period is from 01.08.2012 to 31.01.2013 covering the **Kharif / Rabi** season.

## 6. **Methodology of Calculation of Points earned by the Branches**

- 6.1 The minimum standards of performance will be linked to disbursements made in the accounts sanctioned during the campaign period.
- 6.2 **1 point** will be earned for every fresh disbursement of **Rs 30,000** made under crop loan (production credit) during the campaign period.
- 6.3 **1 point** will be earned for every fresh disbursement of **Rs 15,000** made under Investment Credit during the campaign period.
- 6.4 Branches achieving percentage growth on the outstanding figure of 31.01.2013 over 31.03.2012 will earn **additional points as under :**
- |  |                                |
|--|--------------------------------|
| a) Branches achieving % growth of 15-20 %    | - <b>Additional 50 points</b>  |
| b) Branches achieving % growth of 21-25 %    | - <b>Additional 100 points</b> |
| c) Branches achieving % growth of above 25 % | - <b>Additional 150 points</b> |
- 6.5 Total points scored by each Branch will be the sum of points earned under each of the above parameters.

## 7. **Eligibility Criteria:**

- 7.1 Minimum disbursement made during the campaign period by each branch should be Rs 3.00 crores under Direct Agriculture (Production credit +Investment credit) to qualify for the scheme.
- 7.2 Disbursement made in accounts sanctioned prior to 01.08.2012 and after 31.01.2013 will not qualify for incentive
- 7.3 Total Direct Agriculture lending by any branch, **excluding big-ticket short term loans to Corporates** will be considered. Hence, all branches across the country irrespective of the location can participate in the scheme.

## 8. **Categories of the Awards**

### 1. **"Top Zonal Office"**

Based on the sum of total points earned by all the Regions of a Zone as above, one Zonal office will be selected as **"Top Zonal Office"**

### 2. **"Top Regional Offices"**

3 top performing Regional Offices on all India basis will be identified as winners based on the sum of the total points earned by all the branches of their Region.

### 3. **"All India Topper Branch"**

Based on the total points earned by the branches as above, **5 Branches** securing highest points pan India will be selected as **"All India Topper Branch"**.



#### 4. **"Region's Topper Branch":**

Based on the total points earned by the branches as above, 3 Branches securing highest points in the Region will be selected as "RO Topper Branch" of the respective Region.

#### 9. **Illustration of the Points earned by Branches-**

During the campaign period if a Branch disburses:

9.1 Rs 2.10 crore under production credit:

- Points earned (A) =  $\text{Rs}2,10,00,000/30,000 = 700 \text{ Points}$

9.2 Rs 0.90 crore under Investment Credit:

- Points earned (B) =  $\text{Rs } 90,00,000/15,000 = 600 \text{ Points}$

9.3 Outstanding of the Branch on 31.01.2013 reaches a level of Rs 6.5 crores from outstanding level of Rs 5.00 crore on 31.03.2012 i.e. an increase of 30 % over 31.03.2012.

- Additional Points earned (C) = 150 Points

9.4 Total points earned by Branch would be sum of above A + B + C. In the above case total points earned by the Branch would be:

$$700 + 600 + 150 = 1450 \text{ points}$$

9.5 For selecting winners under "Top Regional Office" category - Sum of total points earned by all the branches of the Region as above will be calculated and 3 Regions securing maximum points will be selected as winner. Eligibility criteria of minimum disbursement of Rs 3.00 crore will not be considered here and points earned by of all the branches of the Region will be calculated for identifying winners under this category.

9.6 For selecting winners under "Top Zonal Office" category - Sum of total points earned by all the Regions of the Zone as above will be calculated and one Zonal Office securing maximum points will be selected as winner.

#### 10 **Selection of winners**

10.1 No branch will be eligible at a time for incentive under more than one category.

10.2 If a Branch is selected as "All India Topper Branch", it will not be eligible for incentive under "RO Topper Branch" category.

10.3 In such cases next ranked Branch under the category will be eligible for Incentive.

## 11 Quantum of Incentive at various levels:

- ❖ " **Top Zonal Office**" - One Zonal office will be selected

Rank	No. Of winners	Incentive
First Rank	1	Cash Reward of Rs 75000/-

- ❖ "**Top Regional Office**"- Three Regional Offices will be selected-

Rank	No. Of winners	Incentive
First Rank	1	Cash Reward of Rs 50000/-
Second Rank	1	Cash Reward of Rs 40000/-
Third Rank	1	Cash Reward of Rs 35000/-

- ❖ "**All India Topper Branches**" category: 5 branches on all India basis will be selected

Rank	No. Of winners	Incentive
First Rank	1	Cash Reward of Rs 75000/-
Second Rank	1	Cash Reward of Rs 60000/-
Third Rank	1	Cash Reward of Rs 50000/-
Fourth Rank	1	Cash Reward of Rs 40000/-
Fifth Rank	1	Cash Reward of Rs 35000/-

- ❖ "**RO Toppers Branch**" Three Branches from each Region will be selected-

Rank	No. of winners	Incentive
First Rank	1 from each RO	Cash Reward of Rs 30,000/-
Second rank	1 from each RO	Cash Reward of Rs 25,000/-
Third rank	1 from each RO	Cash Reward of Rs 20,000/-

## 12 Sharing of Incentive

- 12.1 Incentive for "**Top Zonal Office**" will be awarded to the General Manager of the Zonal Office who will share the incentive in the ratio of 60:40 with the In-charge Priority Sector lending Department (PSLD) at FGMQ, who had co-ordinated and monitored the progress under Agriculture.
- 12.2 Incentive for "**Top Regional Office**" will be awarded to Regional Head who will share the incentive in the ratio of 60:40 with the In-charge of Priority sector lending Department (PSLD) at Regional Office, who has assisted him in monitoring and guiding the Branches in increasing direct agriculture advances during the campaign period.
- 12.3 Branch Manager and Rural Development Officer (RDO) will share the incentive in the ratio 60:40.
- 12.4 In Branches where two RDOs are posted Branch Manager's share will be 40% and share of RDOs will be 30% each.

12.5 In Branches where no RDOs are posted the Branch Managers will share their incentive with the team member in the ratio of 60:40 who has assisted them in Agricultural Lending during the campaign period.

12.6 If Zonal Heads/Regional Heads/Branch Managers or RDOs have been transferred from or to the Zone/RO/Branch during the campaign period and the Zone/RO/Branch is selected for incentive, the sharing of the incentive will be in the ratio of their length of service in the Office/Branch during the campaign period.

**13 Competent Authority for sanction of Incentive:**

13.1 The General Manager, Rural and Agri-Business Department (RABD), will be the Competent Authority for sanction of incentive based on the ranking finalized as above.

13.2 Calculation of the points as above for selecting the winners will be done based on the reports generated from MIS.

**14 Role of Zonal Office/Regional Offices :**

- ❖ Zonal/ Regional heads to ensure that due diligence must be carried out at Branch level with full sincerity while sanctioning loan proposals and meticulous monitoring should be done.
- ❖ It should be ensured that the quality of advances is not compromised due to this incentive scheme.
- ❖ Zonal Heads/Regional Heads should popularize the Incentive Scheme amongst the staff members working in branches and ensure their enthusiastic participation.
- ❖ They have to form a team at RO level to guide and monitor the progress in increasing direct agriculture advances by the branches under their jurisdiction

**15 Role of Branch Officials:**

Branch Managers and RDOs should concentrate on financing for direct agriculture during the campaign period, so that they can sanction more and more new accounts in direct agriculture especially Investment Credit proposals with the objective of increasing our Direct Agriculture advance portfolio.

  
GENERAL MANAGER