

RURAL AND AGRI BUSINESS DEPARTMENT

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TO: ALL BRANCHES/ OFFICES

INCENTIVE SCHEME FOR BRANCH MANAGERS, AND OFFICERS IN BRANCHES FOR OUTSTANDING PERFORMANCE IN LENDING TO DIRECT AGRICULTURE

Reserve Bank of India has prescribed following benchmarks to be achieved by Public Sector Banks-

Sl. No.	Particulars	Benchmark
1.	Total Priority Sector Advances	40% of Adjusted Net Bank Credit (ANBC)
2.	Total Agricultural Advances	18% of ANBC and of this, Indirect Lending in excess of 4.5% of ANBC will not be reckoned for computing performance under 18% target.
3.	Advances to Weaker Sections	10% of ANBC

With a view to achieve above benchmarks and to incentivize performing branches, it has been decided at corporate level to put in place an Incentive Scheme in respect of achievement in Direct Agriculture advances.

Accordingly, the maiden Incentive Scheme for rewarding exemplary performance in achieving Direct Agriculture Advances is launched for the KHARIF season of 2010.

The salient features of the Scheme approved by the competent authority is enclosed as **ANNEXURE- A**

All the Regional Heads and Branch Managers are requested to circulate the same among all the field functionaries so as to elicit extensive participation and excellent results, thereby winning attractive cash incentives.


(S L DIKHOLE)
DY. GENERAL MANAGER

**RURAL AND AGRI BUSINESS DEPARTMENT****INCENTIVE SCHEME FOR BRANCH MANAGERS, AND OFFICERS IN BRANCHES FOR OUTSTANDING PERFORMANCE IN LENDING TO DIRECT AGRICULTURE**

- ❖ To motivate Branch Managers, and their teams for recording outstanding performance in increasing Direct Agriculture advances.
- ❖ Cash Incentives of ₹ 40000/-, 30000/- & 20000/- for Top Three Branches on All India basis
- ❖ Cash Incentives of ₹.20000/-, 15000/- & 10000/- for Top Three Branches in every Region.

Bank is required to achieve mandatory benchmarks for achievement of lending under Priority Sector, Agriculture, Weaker Section and Minority Communities. Failure to achieve these benchmarks attracts huge penalty for the bank. Although bank is able to achieve overall target of lending to Priority Sector, despite best efforts the benchmarks stipulated for lending to Direct Agriculture is not being achieved.

In the present day scenario of aggressive competition and to boost the morale of our staff, it is necessary to formulate a policy to reward the outstanding performance of the staff who are effectively performing and achieving the set targets under Direct Agriculture.

In view of the foregoing an incentive scheme is formulated to extend cash incentives to the officials of Branches to encourage them to put in extra effort in achieving the corporate goal during the year. The salient features of the proposed scheme are as under:

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 advance to Direct Agriculture.

Target Group:

Branch Managers and their team at branches

Campaign Period:

Even to day the farming in our country is mainly rain fed and Kharif Season is considered to be most crucial for rain fed cultivation across the country. Therefore the scheme will be implemented during the ensuing "Kharif Season" 2010.

Criteria for identifying winners:

Eligibility Criteria:

Total Direct Agriculture lending by any branch, excluding big-ticket short term loans to corporate will be considered. Hence, all branches across the country irrespective of the location can participate in the scheme.

Methodology of Calculation of Points earned by the Branches

Every increase in Direct Agriculture loan outstanding of ₹ 10000/- will earn one point. However, the big ticket advances for short term lending to corporate will be excluded.

- Based on the points earned on the incremental outstanding over & above 31st March 2010 up to the cut off date i.e. 31st October 2010, **Top Three Branches** from each Region will be selected as "**RO Toppers**".
- **Top Three Branches** on All India basis will be selected by RABD, CO as "**All India Toppers**".
- No branch will be eligible at a time for incentive under both categories viz. "RO topper" and "All India Toppers". In such case, the next ranked branch after the "All India Topper/s" in that Region will be eligible for incentive under "**RO Topper**" category.
- The name of the selected branches will be placed before the Competent Authority for approval.

N.B: In case more than one Branch Manager happens to work in the branch during the campaign period and all have done an excellent job in increasing the Direct Agriculture portfolio of the branch, the incentive shall be shared on pro rata basis.

Winner Branches:

Branch Managers who may share their incentive with the team members (RDO, Other Credit Officer) who have assisted them in Agricultural Lending during the campaign period.

Competent Authority for sanction of incentive:

The General Manager (Rural and Agri-Business Department.) will be the competent authority for sanction of incentive based on the ranking finalized as above.

Incentive at various levels:

The proposed reward for the "RO toppers" category is as under:

Rank	No. Of winners	Incentive
1st Topper	55	Cash Reward of ₹ 20000/- each
2nd Topper	55	Cash Reward of ₹ 15000/- each
3rd Topper	55	Cash Reward of ₹ 10000/- each

➤ The proposed reward for the " All India Toppers" Category is as under:

Rank	No. Of winners	Incentive
First Rank	1	Cash Reward of ₹ 40000/-
Second rank	1	Cash Reward of ₹ 30000/-
Third rank	1	Cash Reward of ₹ 20000/-

Total outlay:

The total outlay involved will be ₹ 2565000/=

Ranks	No of winners	Incentive Amt in ₹.	Total Incentive (₹)
Branches:			
1st Topper: One branch per Region	55	20000	1100000
2nd Topper: One branch per Region	55	15000	825000
3rd Topper: One branch each from every Region	55	10000	550000
All India Toppers:			
First Rank	1	40000	40000
Second rank	1	30000	30000
Third rank	1	20000	20000
Sub total for branches			2565000

Role of Regional Offices/Branch Managers:

Regional Heads/Branch managers should popularize the Incentive Scheme amongst the staff members working in branches and ensure their enthusiastic participation.

Role of other Branch Officials:

Branch Manager, RDO and the other credit officers should concentrate on financing for direct agriculture and especially for investment credit during the campaign period, so that they can sanction more and more remunerative new accounts in direct agriculture category with a surge in outstanding.