



Mumbai, June 25:

Camson Biotech has tied up with HDFC Bank to take banking services to over three lakh marginal farmers all over the country.

By an agreement with the bank, its 3,000 dealers will be eligible to become business correspondent (BC) or business facilitators for the bank.

BCs appointed in rural areas will execute all transactions that a customer avails of at bank branches. Currently, HDFC Bank has 460 BCs. The RBI has drawn detail guidelines for appointing BCs in a bid to reach banking services to remote rural areas.

Mr. Santosh Nair, Chief Executive Officer, Camson Biotech, said each dealer of the company has business relationship with about 100-200 small farmers with land holding of less than two acres.

“Farmers will now have easy access to finance at lower rate of 10-12 per cent compared with 36-40 per cent per annum they pay currently,” he said.

Camson Biotech and HDFC Bank also plan to jointly launch co-branded cards that will help farmers buy agriculture inputs at cheaper rates.

As part of its expansion plans, Camson targets adding 2,000 dealers in the next 18 months as it penetrates into new markets in 17 States including Gujarat, Kerala and Bihar.

Dealers benefit

The agreement opens up a new revenue stream for dealers as they will earn a commission from the bank for all services extended to farmers.

Besides, identifying the borrower for the bank, BCs will collect relevant documents and verify primary information before sending it to the bank for final approval.

They will also extend small value credit and collect deposits from the farmers. As value-added service, BCs will sell micro insurance, mutual fund and pension schemes.

“Dealers have the potential to earn between Rs 1 lakh and Rs 4 lakh on executing business of Rs 2 crore. They get a commission of 0.70 per cent to 2 per cent depending on the service they deliver,” said Mr Nair, who is an ex-banker.

Camson expects availability of cheaper finance to encourage farmers to use quality inputs such as branded seeds and biocides. “It is a win-win situation for the entire value chain. The success of this initiative will encourage more agriculture companies to follow and improve finance to farmers,” he said.