



Vrutti Partners with HSBC India to launch 'FPO Shakti', a Financing Facility to Strengthen Farmer Producer Organisations

A Stage-Based, Blended Finance Facility Supported by HSBC India and Managed by FWWB India

New Delhi, India 4th December- Vrutti, part of the Catalyst Platform, announced the launch of the FPO Shakti, a Financing Facility. It is a blended, stage-based financing model designed to help Farmer-Producer Organisations (FPOs) access the right capital at the right time. Supported by HSBC India and Friends of Women's World Banking (FWWB) India as the Facility Manager, the initiative aims to bridge the longstanding financing gap that stops FPOs from growing beyond early incubation.

India has more than 44,000 registered FPOs, yet fewer than one-third can access formal credit. Many stall after early growth because collateral-based loans and strict eligibility requirements lock them out of the financial system. The problem here is that the right capital never arrives at the right time, creating the "missing middle" that weakens rural value chains and caps smallholder income growth.

The FPO Financing Facility responds to this systemic challenge through a blended finance approach that brings financial institutions, catalytic capital providers, buyers, and technical assistance partners into one operational model. It will support an initial cohort of 15 early-growth FPOs, with plans to scale to 100+ organisations, building a strong pipeline of bankable and investable farmer-owned enterprises.

The model combines stage-appropriate capital instruments such as revolving funds, guarantees, and revenue-linked finance with technical assistance delivered through Business Support Organisations. It includes digital record-keeping systems that enhance transparency and lender confidence, and a readiness framework focused on governance, business planning, market linkages, and supply chain discipline. Each FPO will go through a 24-month structured acceleration journey covering governance, market systems, financial discipline, and digital enablement. The result is a pathway for FPOs to become investment-ready and market-ready, supported by capital that understands the seasonality, risks, and realities of agriculture rather than judging them against unrelated commercial norms.

Speaking on the initiative, **Aloka Majumdar, MD and Head of Sustainability, HSBC India**, said, *"FPOs play a crucial role in improving the socio-economic well-being of farmers. However, a vast majority of FPOs face the challenge of accessing credit as they are either too large for micro-credit or too risky for mainstream finance. A structured intervention that builds capacity of FPOs, strengthens governance and enhances business capability is the need of the hour. The facility will unlock a pipeline of investment-ready FPOs by reducing credit barriers, strengthening governance, and positioning them for sustainable market participation".*

Speaking on the launch, **Raghini Badhrinarayanan, CEO, Vrutti**, said *"This Facility marks a shift from short-term project support to long-term institutional strengthening. FPOs need patient capital and the right scaffolding. With this model, we are creating the pathway for FPOs to function like enterprises while staying rooted in community ownership and farmer value."*

The initiative signals a shift toward a rural financing approach where capital is aligned to stage, capacity, and risk; where finance builds strength; and where farmers move from being producers to becoming shareholders in enterprise growth. The operational framework integrates readiness diagnostics, BSO-led technical assistance, customised capital tools, digital systems for real-time visibility, and clear graduation pathways into formal finance, laying the groundwork for an era of resilient, farmer-owned enterprises.

Media contacts:

For HSBC India: Renuka Bhide | renuka.bhide@hsbc.co.in

For Vrutti: Shrirupa Sengupta | shrirupa@catalysts.org

About Vrutti

Vrutti is a livelihood catalyst, working in the social impact space for over 20 years as part of the Catalyst Platform and has made a difference to the lives and livelihoods of over a million poor and marginalized individuals and households. We work through an ecosystem approach, integrating and delivering end to end services that empower small producers to graduate out of poverty and uncertainty and become three times more profitable. To learn more, visit <https://vruttiimpactcatalysts.org/>

About HSBC

HSBC India and Sustainability: HSBC India's strategy to support sustainable economic growth, focuses on Community Investment (CSR interventions), Sustainable Operations, Sustainable Finance and Sustainability Risk. The strategy is delivered through a combination of programmes, collaboration, and partnerships. We believe it requires a concerted effort between business, governments and other stakeholders on policies and programmes to support transition to a more sustainable future.

HSBC India: HSBC India offers a full range of banking and financial services through 27 branches across 15 cities. HSBC India is one of India's leading financial services groups, with around 44,000 employees in its banking, investment banking and capital markets, asset management, insurance, software development and global resourcing operations in the country. It is a leading custodian in India. The Bank is at the forefront in arranging deals for Indian companies investing overseas and foreign investments into the country.

HSBC Holdings PLC: HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 57 countries and territories. With assets of US\$3,234bn at 30 September 2025, HSBC is one of the world's largest banking and financial services organisations.

About FWWB India

Friends of Women's World Banking (FWWB) India is a non-profit organization founded in 1981 by Smt Ela Ben Bhatt founder of Sewa and Sewa bank that promotes women's economic empowerment in India. FWWB's core mission is to empower women and expand financial access for underprivileged women across India through capacity building and catalytic funding support. Over the past four decades, it has worked across diverse geographies, reaching low-income women and grassroots institutions, and has played a pivotal role in shaping India's Microfinance Institution (MFI) sector and Self-Help Group (SHG) movement, Agriculture and Climate change, Developing FPO ecosystem, water and sanitation and promoting solar energy. To learn more, visit: <https://fwwbindia.org/>