

 Early Warning System

FMO-64508

ACE International Limited



Quick Facts

Countries	India
Specific Location	Uttar Pradesh
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	A
Voting Date	2025-10-16
Borrower	ACE International Limited
Sectors	Agriculture and Forestry, Industry and Trade
Investment Type(s)	Equity
Investment Amount (USD)	\$ 18.00 million



Project Description

According to the information provided, FMO is investing USD 18 million in equity as part of a broader consortium that includes reputable European impact investors. The capital raised will be primarily growth-focused and allocated to expanding the company's existing processing facilities, developing a new facility, and integrating its milk procurement system upstream.

FMO believes that by investing in ACE, it is supporting a front-runner in a burgeoning and dynamic sector. ACE International also delivers a strong social impact. Last year, the company sourced 25% of its milk from the women-led Milk Farmer Producer Organization ("FPO"). This women-led FPO initiative pays premiums for quality milk, provides training and veterinary services, and is piloting value-added products for its members, such as biodigesters. The company plans to further invest in its own milk procurement system in the future, incorporating some elements of the FPO model. Finally, ACE International is venturing into nutraceuticals and nutritional food supplements--an exciting and impactful sector with significant growth potential in India.



Early Warning System Project Analysis

According to the FMO, this transaction has a B+ Environment & Social (E&S) risk. It involves a milk derivatives manufacturing facility in Uttar Pradesh with approximately 270 employees. The existing processing facilities trigger IFC Performance Standards (PS) 1-4. Full dependence on the milk supply chain, the large number of smallholders, supply from larger-scale dairy farms, and plans to upgrade the existing factory warrant the higher risk category of B+. Animal welfare issues, climate change impacts, sourcing quality feed during the dry season, and agroforestry and silvo-pastoral initiatives increase the potential PSs triggered to include PS 5 and PS 6.



Investment Description

- Netherlands Development Finance Company (FMO)



Private Actors Description

As stated by the FMO, ACE International is a leading dairy derivatives company in India with over three decades of experience. It offers a diversified B2B and B2C product range and has a strong track record of profitability. ACE serves a growing niche market by developing and supplying dairy-based formulated food ingredients for nutraceuticals and fast-moving consumer goods in India.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Mahaan Milk Foods Limited	Client	Agriculture and Forestry



Contact Information

Client - Mahaan Milk Foods Limited:

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ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: <https://www.fmo.nl/independent-complaints-mechanism>