Early Warning System

IFC-40474

Agrex

Early Warning System
Agrex

IFC-40474

Quick Facts

Countries	Sri Lanka
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2017-10-16
Borrower	Agrex Limited
Sectors	Agriculture and Forestry
Investment Type(s)	Equity
Investment Amount (USD)	$ 30.00 million
Project Cost (USD)	$ 35.00 million

Project Description

The proposed IFC investment is up to an aggregate of $25 million of equity capital in Agrex Limited, Dubai (“Agrex” or the “Company”) to fund incremental working capital and capital expenditure for expansion of the Company’s operations across Sri Lanka, Uganda, Ethiopia and Philippines. The Company is an emerging player in the organic food industry, and is engaged in procurement, processing and exports of long shelf life organic products having operations in Uganda, Ethiopia and Philippines.

The Company’s operational assets include two processing facilities: one leased virgin coconut oil (VCO) processing facility in Philippines and a recently commissioned fully owned sesame seed cleaning and sorting facility in Uganda. In addition to this, the Company has a contract manufacturing arrangement with a third party Soyabean and Sesame processing plant and warehouses in Ethiopia. As a forward integration of organic Cotton, the Company also has arrangements with third party textile manufacturers for its organic clothing business.

The products it operates in include Soya, Spices, Sugar, Cotton, Cocoa, VCO, Sesame, Chia seeds and Vanilla. The Company has organic certified farming arrangements with small holder farmers and farmer groups in Uganda, Ethiopia and Philippines for commodities like Soya, Cotton, Sugar, Sesame, Cocoa, Vanilla, Coconut and various Spices with a total area of around 35,000 Hectares certified farms across these countries. The Company does not own or lease any of these farms. It only procures organically grown produce from the farmers/planters.

Investment Description

- International Finance Corporation (IFC)

The sponsor, Sameer Mehra (who is also the CEO of Agrex), owns approximately 45 percent equity shares in Agrex while the balance 55 percent is held by two leading investors - Nexus India Venture Investments (“Nexus”) and Capricorn Investment Group (“Capricorn”) through their investment vehicles. Sameer Mehra, a first-generation entrepreneur in the organic products space, has been educated in India and the United States and worked earlier in United States and India .

Contact Information

Agrex Limited
Varun Bhassin
Director
+971-56-261-2512
info@agrieximfze.com
Fortune Executive Tower, Office #2004, Cluster T, JLT, Dubai.
www.agrieximorganic.com

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/