Early Warning System

IFC-42190

Mahyco

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Quick Facts

Countries	Bangladesh, Burkina Faso, Kenya, Malawi, Nigeria, Tanzania, Vietnam, Zambia
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2019-12-17
Borrower	Mahyco International Pte Ltd.
Sectors	Agriculture and Forestry
Investment Type(s)	Equity
Investment Amount (USD)	$ 20.00 million
Project Cost (USD)	$ 26.00 million

Project Description

According to the bank document, Mahyco International Pte Ltd. (“Mahyco International” or the “company”) is a subsidiary of India’s leading seed producer Maharashtra Hybrid Seeds Company Ltd
The total cost of the Project is estimated at US$26 million to finance the company’s expansion into Sub-Saharan Africa (SSA) and South-East Asia (including Bangladesh) in its primarily cotton and rice seed business (the Project).

IFC proposes to support the Project with US$20million in funding, comprising of a US$10 million equity investment from IFC’s own account and a US$10 million equity investment in its capacity as Implementing Entity of the Private Sector Window of the Global Agriculture and Food Security Program (GAFSP). The balance is proposed to be funded through internal accruals.

The Project compromises funding the technology costs, working capital needs, pre-commercialization costs and capex in several countries in SSA including Nigeria, Malawi, Kenya, Zambia, Tanzania and Burkina Faso and in Asia (including Bangladesh, Vietnam, Indonesia, the Philippines, Laos and Cambodia).

Investment Description

- International Finance Corporation (IFC)

Private Actors Description

Mahyco India or the “Sponsor”- https://mahyco.com/ was established in 1964, Mahyco India has its headquarters in Mumbai and field research station in Jalna, Maharashtra. Mahyco India was the first Indian company to introduce hybrid seeds across field crops (including grains and cereals), cash crops (such as cotton and sunflower) and vegetables and to commercialize Bt cotton in 2002.

The Sponsor focuses on research, development and commercialization of a variety of seeds to produce quality seeds that ultimately improve farmer’s income. Mahyco India has total processing capacity of 720,000 quintals/annum. The processing plants are located at Vejalpur (Gujarat), Dhanora (Maharashtra), Nizamabad and Kalakkal (Andhra Pradesh), Kota (Rajasthan) and Khandwa (Madhya Pradesh). In addition, contract processing plants are located in D’Raja, MeraPhata and Chikali in Maharashtra as well as in Mansa, Vijapur, Modasa, Bodeli and Idar in Gujarat.

Mahyco International was founded in 2013 to establish a separate focus on developing international business and currently sells open-pollinated (OPV) cotton seeds in Africa and hybrid and OPV rice seeds in Vietnam and Bangladesh. Mahyco International has subsidiaries in various countries in Africa (Zimbabwe, Malawi, Kenya, Nigeria, Tanzania and South Africa) which has either been acquired or newly set-up (company acquired 60% of Zimbabwe-based Quton Seed Co. in FY15, has 60% shareholding in subsidiaries at Tanzania, Zimbabwe and Malawi and also acquired Mahyco Grow in South Africa). Mahyco International’s subsidiaries in South-East Asia are in Vietnam and Bangladesh and there are plans for expansion in Indonesia and Philippines.

The Company currently has 2 breeding stations, one in Vietnam and the other in West Bengal (India), from where it serves Bangladesh and it aims to expand to other countries in South-East Asia.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Mahyco India	Parent Company	Agriculture and Forestry	owns	MAHYCO INTERNATIONAL PTE. LTD.	Client	Agriculture and Forestry

Contact Information

1/ Project Contact

Mahyco International Pte. Ltd.
Subbarao Appemane
Sr Vice President corporate communications
+91-22-67573000
subbarao.appemane@mahyco.com
4th Floor, Resham Bhavan, No.78, Veer Nariman Road, Mumbai - 400020
www.mahyco.com

2/ Local Access for Project Documentation

Mahyco Grow South Africa

24 Bank Street, Groblersdal 0470

Limpopo, South Africa

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/