Early Warning System

IFC-45256

Zenex Animal Health India Private Limited

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Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2022-01-19
Borrower	ZENEX ANIMAL HEALTH INDIA PRIVATE LIMITED
Sectors	Agriculture and Forestry, Education and Health
Investment Type(s)	Equity
Investment Amount (USD)	$ 16.14 million
Project Cost (USD)	$ 52.50 million

Project Description

According to ADB documents, the proposed IFC investment involves purchase of equity shares of Zenex Animal Health India Private Limited (“Zenex” or the “company”) for up to INR1,200 million (approximately equivalent to US$16 million) together with purchase of equity shares of Zenex by IFC Asset Management Company Emerging Asia Fund (EAF) for up to INR2,700 million (approximately equivalent to US$36.5 million) from Multiples Private Equity Fund III (“Multiples”). The aggregate IFC and EAF investment is for up to INR 3,900 million (approximately equivalent to US$52.5 million). A consortium of 3-4 other investors led by Multiples have invested in “Zenex” to acquire the animal health business for markets in India and certain other countries from Zydus Animal Health and Investments Limited (“ZAHL”).

- Zenex is involved in the manufacturing, marketing, and sale of animal health products for the livestock and poultry segment.
- Project-level impact: The growth of the Company will increase the production of quality pharmaceuticals for livestock and poultry, resulting in better yields and increased income for farmers.
- Market-level impact: The Project and Company’s growth will enable changes to existing markets that deliver sustainable development impact by promoting competitiveness through demonstration, replication, and competition.

ENVIRONMENTAL & SOCIAL REVIEW SUMMARY

This is a category B project according to IFC’s Policy on Environmental and Social Sustainability (2012) because a limited number of specific E&S impacts may result which can be avoided or mitigated by adhering to generally recognized performance standards and guidelines.

Key E&S risk and issues associated with this project include: (i) the existence and implementation effectiveness of E&S management systems, (ii) assurance of fair, safe and healthy working conditions; (iii) resource efficiency of the operations (energy and water); (iv) life and fire safety management, including emergency preparedness and response plan; (v) management of hazardous chemicals & materials; and (vi) waste management in compliance with local regulatory requirements and World Bank Group (WBG) EHS Guidelines for Pharmaceuticals and Biotechnology Manufacturing.

The company collaborates with research institutes and laboratories for clinical trial/testing and does not have any in-house vivarium.

Investment Description

- International Finance Corporation (IFC)

IFC’s proposed purchase of equity shares of Zenex is for up to INR1,200 million (approximately equivalent to US$16 million), together with IFC AMC Emerging Asia Fund (EAF)’s purchase of equity shares of Zenex for up to INR2,700 million (approximately equivalent to US$36.5 million). The aggregate IFC and EAF proposed investment is for up to INR 3,900 million (approximately equivalent to US$52.5 million).

Private Actor Relationship

Zenex is held by a consortium of investors including Multiples, Canada Pension Plan Investment Board and Rare Equity Private Limited.

Private Actors Description

Zenex commenced its business with the acquisition of the animal health business of ZAHL, a wholly owned subsidiary of Cadila Healthcare Limited, which is focused on the development, marketing and sale of drugs, vaccines and feed supplements for livestock, poultry, companion, and other animals, for markets in India and certain other countries. This has been funded by equity from investors including Multiples and with debt.Zenex has a manufacturing facility in Haridwar, within the State Infrastructure & Industrial Development Corporation of Uttarakhand Limited (SIIDCUL) industrial area, which was earlier owned by ZAHL. This pharmaceutical formulation facility was commissioned in 2007 and has a monthly manufacturing capacity of 60000 liters per month (liquid injections), 156000 liters per month (liquid orals) and 15600 Kg tablets per month. The company does not have its own research and testing facility for product efficacy testing, but it collaborates with recognized national research institutes and laboratories for clinical trial/testing before launching the product.

Contact Information

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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

Bank Documents

- Environmental and Social Review Summary
- Summary of Investment Information

Other Related Projects

- ADB-55240-001 Zenex Improved Animal Health and Welfare Project