

 Early Warning System

IFC-45523

Waycool



Quick Facts

Countries	India
Specific Location	Tamil Nadu, Karnataka, Andhra Pradesh, Telengana, Kerala and Maharashtra.
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2022-01-07
Borrower	WAYCOOL FOODS AND PRODUCTS PRIVATE LIMITED
Sectors	Agriculture and Forestry
Investment Type(s)	Equity
Investment Amount (USD)	\$ 15.00 million
Project Cost (USD)	\$ 120.00 million



Project Description

According to IFC, the proposed project is an equity investment of up to US\$15 million in WayCool Foods and Products Pvt Ltd (“WayCool” or the “Company”) based out of India.

The Company works directly with a network of smallholders, Farm Producers Organizations (FPOs), traders and aggregators. The Company sources fresh produce (fruits and vegetables), staples and spices from over 50,000 farmers, of which fresh produce are sourced from 5,000 farmers. Among the 5,000 fresh produce farmers, 3,000 farmers are engaged into the Company's “Outgrow” scheme. The entire farm size the Company sources agro-commodity (fresh produce, staples and spices) is estimated at 30,350 hectares (ha), of which the farm size under the Outgrow scheme is 1,214 ha.

The Outgrow scheme involves selected farmers who possess adequate land and demonstrate a reasonable level of farming capability. Activities in the Outgrow scheme involves assessing quality of farming land (soil testing for nutrients), developing a farming plan (including basic economic analysis), and supporting farmers in sourcing of inputs, such as seeds and fertilizers. At the end of the harvest cycle, the farmer sells products directly to the Company. The Outgrow scheme is designed to encourage farmers to optimize yield within their farming areas, to enable a more sustainable harvest throughout the year, and to bring more productive value to farmland. The ordering and distribution system include material grading, sorting and bar coding and distribution. All produce is logged and recorded by batch to facilitate traceability, invoicing and track product to customer receipt.

IFC is considering an investment in the Company up to US\$15 million to provide funds for: i) launching new products; ii) investing in technology upgrades; iii) working capital; iv) capital expenses on facilities; and v) opportunistic acquisitions (the “Project”).

Expected development impact includes: (i) Improved access to markets, potentially resulting in increased incomes for farmers and enhanced productivity growth for small retailers (ii) Increased integration of the food value chain in India, via competition and innovation channels.

This is a Category B project based on IFC's 2012 Policy on Environmental and Social Sustainability. The E&S risks and issues associated with this project are limited, site-specific, and can be readily addressed through generally accepted mitigation measures described in this document. The Company is aiming for sustainably managing its sourcing, warehousing and processing operations in compliance with applicable national legal and regulatory requirements, IFC's Performance Standards (PSs), WBG EHS Guidelines (General and Food & Beverage Processing) and its own corporate policies.

Key E&S risks include: (i) implementation and efficiency of Environment / HR / OHS / Food Safety / Supply Chain management systems across its direct (warehouses) and sourcing operations, including functions' competency/capacity, compliance with legal/regulatory permit requirements, assignment of OPEX/CAPEX for addressing corrective action plants (CAPs) – including COVID-19, Gender/GBV risk assessment/management; (ii) fair and safe working conditions for workforce (direct and outsourced labor); (iii) water and energy use/efficiency, including GHG emissions at warehouses; (iv) ambient/point source air emissions, wastewater collection/treatment, and solid/hazardous waste management; (v) emergency planning and response, including L&FS and refrigeration system (e.g., ammonia use); (vi) PS2/PS6 supply chain risk assessment of fruits and vegetables, dairy products and grains from its direct and indirect suppliers, including traceability and risk screening using digital system; (vii) road safety management system aligned with ISO 39001; and (ix) community engagement and grievance mechanism: (x) land acquisition, including any legacy.



People Affected By This Project



Investment Description

- International Finance Corporation (IFC)

Company is in the process of raising US\$120 million of preferred equity. IFC is proposing to invest up to US\$15 million in WayCool in preferred equity. IFC's investment will support the expansion of WayCool's business in India including investment in new products, technology and expansion of current operations.



Private Actor Relationship

The Company's key shareholders include: (i) the founders (Karthik Jayaraman and Sanjay Dasari) and management team; (ii) an impact fund Lightrock (through investing entities Aspada Investment Company; Lightrock India Holdings Ltd. and Lightrock Growth Fund I S.A.); (iii) a domestic VC fund Lightbox Ventures (Lightbox Ventures III); (iv) a Development Finance Institution FMO (NEDERLANDSE FINANCIERINGS MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V.) (v) Vishay Engineering & Holdings Private Limited (owned by Mr. Vinod Dasari); and other early and growth stage venture capital funds and angel investors.

Private Actors Description

WayCool Foods and Products Pvt Ltd is incorporated in India. The Company is primarily operational in six states in India namely Tamil Nadu, Karnataka, Andhra Pradesh, Telengana, Kerala and Maharashtra. Established in 2015, Waycool Foods and Products Pvt Ltd ("Waycool" or the "Company") is a leading agri-focused B2B ecommerce platform in India that procures, processes and distributes + 325 fresh produce (fruits & vegetables), dairy products, staples (grains), processed food items and Fast-moving consumer goods (FMCG). As of August 2021, the Company operates 6 collection centers, 31 distribution centers, 1 repackaging center, 1 dairy processing facility, and 1 food processing (a line for ready-to-cook meal) facility. The Company's approach is to remodel/shorten the farm produce supply chain and increase value to the farmer, reduce waste, and improve efficiency through replacing the traditional approach utilizing an e-platform to manage ordering, supplies, transport logistics and distribution.



Contact Information

ACCESS TO INFORMATION

You can submit a request for information disclosure at: <https://disclosures.ifc.org/#/inquiries>

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

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

- [Environment and Social Review Summary](#)
- [Summary of Investment Information](#)



Other Related Projects

- DFC-2019-INDUSINDWAYCOO IndusInd-Waycool Foods and Products Private Limited