

InfraCo Asia signs agreements for India hydroponics project

Singapore,

27 February 2017

InfraCo Asia, part of the Private Infrastructure Development Group (PIDG), will add the first hydroponics farming project to its pipeline as it signs agreements with a partner in Junga, north India.

Signing of JVA

InfraCo Asia Development Pte. Ltd. (IAD) is pleased to announce that it has signed a Joint Venture Agreement (JVA) to develop a **Hydroponics Project** at Junga, Shimla District in Himachal Pradesh, India. InfraCo Asia—through its South Asia developer team, Equicap Asia and local partner Junga FreshnGreen Pvt. Ltd. (JFPL)—will establish a 9.3 hectare hydroponics-based agricultural facility.

JFPL has been formed by Indian company Vas Agri Private Ltd (VAS), following a JVA signed recently between VAS and Westlandse Project Combinatie BV, Netherlands (WPC). Under this agreement, WPC will provide vital hydroponics expertise and technology support for the Junga venture

InfraCo Asia will invest US\$1.1m in the project, which has a total value of US\$4.45m. It is also being supported by PIDG's Technical Assistance Facility (TAF), providing financial assistance of US\$800,000. The project will be implemented in two phases, and is expected to be fully commissioned in the first quarter of 2020.

The Joint Venture Agreement was signed by Mr Sandiip Bhatia, Founding Director of VAS Agri and Director of JFPL, and Mr Allard Nooy, CEO of InfraCo Asia, in New Delhi on 24 February 2017.

"InfraCo Asia is pleased to bring the necessary leadership and development capital to a project which promises to demonstrate cutting-edge agricultural innovation in India," Mr Nooy, said.

"Given the common difficulty of securing financing for agricultural projects in India, InfraCo Asia's role as a catalyst for private sector investment will provide a best-practice template for successful replication, which is a key part of our role."

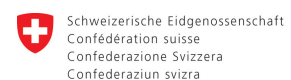
The project

The first phase of the hydroponics project will involve setting up three greenhouses, covering approximately 2.8 hectares of the total project area, along with a hi-tech automated nursery to supplement greenhouse produce. Vegetables and herbs for commercial sale will be grown in the greenhouse, while the nursery will generate high quality planting material. Crops which can be produced in such an environment include Iceberg lettuce, coloured capsicum, cucumbers and cherry tomatoes.

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“We view this as a concept with universal appeal,” Equicap Asia Managing Director, Mr Vivek Gupta, said.

“Hydroponics offers a proven, scientific and technology-enabled methodology to fulfil the needs of the people while providing tangible advantages to the farmers. We are excited to lead this investment on behalf of InfraCo Asia, and look forward to successfully implementing the project in due course,” he said.

Mr Sandiip Bhatia said the Junga Hydroponics Project will be part of an integrated approach to reducing wastage of fresh vegetables in India.

“Taking our cue from the Honourable Prime Minister Mr Narendra Modi’s call for ‘More crop per drop’, we are committed to contributing to the concept of ‘Smart Farms’ in India to produce safe food. Efficient farm management and resource efficiency is the need of the hour. We are committed to adopting an eco-friendly approach to preserve our local environment.” He said.

“We would like to thank the Embassy of the Netherlands in India for playing a vital role in enabling shareholders of JFPL to come together to pursue hydroponics in India. We look forward to implementing the project successfully in partnership with InfraCo Asia.” Mr. Bhatia said.

Impact

India’s agriculture sector contributes 18 per cent of the country’s GDP and provides employment to almost 60 per cent of the workforce. However, the country is taking action to improve its agricultural output, efficiency and sustainability, and mitigate the impact of unpredictable climate.

Hydroponics is a proven means through which farmers can sustainably achieve better yields and cultivate a lower dependence on chemical fertilisers. Yields in crops such as lettuce can be up to ten times higher under greenhouse conditions than those achieved through conventional farming techniques.

The project will provide direct employment for about 100 people once it is fully operational.

“As part of our project, we plan to generate employment in our local area and to enhance skill development. Our commitment is towards training, open market opportunities, working towards higher quality and yields with minimal use of pesticides to the farming community.” Mr Bhatia said.

Best-practice harvest and post-harvest management will ensure the project grows export-quality produce. Downstream economic benefits of the project will be felt by the Shimla district’s 810,000-strong population, of which around 275,000 people live beneath the poverty line.

The successful project will not only demonstrate the feasibility of using a hydroponic system to produce commercial quantities of vegetables and herbs, but also provide a template for lenders to finance well-structured and commercially viable projects in India’s agriculture sector.

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About InfraCo Asia

1. InfraCo Asia Development Pte Ltd (InfraCo Asia) is a commercially managed infrastructure development and investment company of the Private Infrastructure Development Group (PIDG).
2. Headquartered in Singapore, it aims to stimulate greater private sector investment in infrastructure in South and South East Asia. InfraCo Asia funds high-risk infrastructure development activities by taking an equity stake with a focus on socially responsible and commercially viable infrastructure projects that contribute to economic growth, social development and poverty reduction. At the appropriate time, either as close as possible to financial close and/or commercial operation, InfraCo Asia aims to (partially or fully, as appropriate) exit each project. It does this through the sale of its stake to the private sector in order to catalyse private sector investment and participation into the projects and countries it is involved in.
3. InfraCo Asia is currently funded by three members of PIDG – the Australian Department of Foreign Affairs and Trade (DFAT), the Swiss State Secretariat for Economic Affairs (SECO) and the UK Department for International Development (UKAid).

About PIDG

1. The Private Infrastructure Development Group (PIDG) encourages and mobilises private investment in infrastructure in the frontier markets of sub-Saharan Africa, south and south-east Asia, to help promote economic development and combat poverty.
2. Between 2002 - 2015 PIDG supported 133 infrastructure projects to financial close, of which 56 are fully operational.
3. PIDG is a multilateral organisation, funded by donors from seven countries (UK, Switzerland, Australia, Norway, Sweden, Netherlands, Germany) and the World Bank Group.

All enquiries for comment to:

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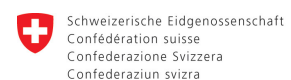
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