



**Monthly Activity Report  
September - 2022**

Date: 09th September 2022

Media Name: Mathrubhumi

Region - Trivandrum

# യാത്രക്കാർക്ക് ഓണസമ്മാനവുമായി ഡെൽഹ്രെസ്

ബെംഗളൂരുഃ - ഓണം ആഘോഷിക്കാൻ നാട്ടിലെത്തിയ രാജയാളികൾക്ക് സർവ്വൈസ് സമ്മാനപ്പൊതികൾ നൽകി സൂപ്പർഗ്രൂപ്പ് ഫുഡ് സപ്ലൈർ പ്രൊസസ്സിംഗ് ഫുഡ് വിഭാഗമായ ഡെൽഹ്രെസ്. തിരുവനന്തപുരം വിമാനത്താവളത്തിലാണ് യാത്രക്കാരുടെ സമ്മാനപ്പൊതികൾ നൽകി വരുന്നത്.

ബെംഗളൂരുവിൽനിന്നും കൊച്ചിയിൽനിന്നുമുള്ള രണ്ട് വിമാനങ്ങളിലെ യാത്രക്കാർക്കാണ് സമ്മാനങ്ങൾ നൽകിയത്. യാത്രക്കാരുടെ പേരെഴുതിയ സമ്മാനപ്പൊതികൾ ബെൽറ്റ് വഴി മാറ്റാനുവദേശിച്ചു. കൈകഴുപ്പിലെത്തി ഉപയോഗിക്കാൻ വളരെ സുതനശിതിയിൽ സമീപിക്കാൻ എല്ലാ യാത്രക്കാർക്കും സമ്മാനം നൽകിയപ്പോൾ സർവ്വൈസ്



തിരുവനന്തപുരം വിമാനത്താവളത്തിൽ യാത്രക്കാർക്ക് ഡെൽഹ്രെസ് സമ്മാനം നൽകിയപ്പോൾ

സമ്മാനപ്പൊതികൾ നൽകാനുള്ള തിരുമാനം വളരെ വിജയകരമായിരുന്നു.

രമായിരുന്നുവെന്നും ഡെൽഹ്രെസ് സീനിയർ കൃഷ്ണ പ്രസാദ് പറഞ്ഞു.

Date: 29th September 2022

Media Name: Forbes, India

Edition - Regional Goliaths - October 2022



### SUGUNA FOODS

n 1984, with an investment of ₹5,000, brothers B Sundararajan and GB Sundararajan, set up a poultry farm in Udumalaipettai, about 72 km from Coimbatore, Tamil Nadu. Thirty-eight years later, it is a Goliath, clocking in a turnover of ₹9,155 crore in FY21.

Suguna Foods, which is the flagship company of the larger group—Suguna Holdings—works with over 40,000 farmers, from more than 15,000 villages across 18 states. Sundararajan is now the chairman of the group company, his son Vignesh has recently taken charge of Suguna Foods India as managing director. The company is now focussing on four verticals: Farms and feed as B2B, and food and soya as B2C. Though it has a pan-India and international presence, the family-run business gets most of its revenue from South and East India. As per reports, Suguna Foods is a market leader, with a 15 percent market share in the ₹70,000-crore poultry broiler market in India. "The goal is to provide affordable quality protein to every household in the country, while being inclusive of small and marginal farmers," says Vignesh.

#### EARLY DAYS

Sundararajan, after completion of his schooling, aimed to set up his own business. He started with vegetable farming in his family's ancestral agricultural land for about three years, which wasn't profitable. He then took up a bunch of odd jobs—working in a furniture manufacturing company in Coimbatore without any salary, then for an agricultural pump company in Hyderabad. After he lost interest there, he came back to his village.

He and his younger brother Sundararajan then ventured into the poultry business. They would buy chicken feed and sell them to farmers, becoming one of the many vendors that farmers would interact with in order to raise chicken. There were specific vendors for every small requirement, such as rice husk, medicines or feed, adding margins for every purchase. Consequently, costs escalated and farmers could

**"Gradually, I would like to move the business from a family-led organization to a professional institution."**

VIGNESH SUNDARARAJAN, MD, SUGUNA FOODS INDIA

#### NAME & GAME

Founded in 1984, by B Sundararajan and GB Sundararajan in Udumalaipettai, about 72 km from Coimbatore, Tamil Nadu. By 1997, 40 farmers had joined them and the turnover touched ₹7 crore. It has currently empowered over 40,000+ farmers in 15,000+ villages across 18 states

#### Regionwise Revenue Breakup

30% Rest of India	35% East
35% South	

Presence outside India: Sri Lanka, Bangladesh and Kenya

OCTOBER 7, 2022 • FORBES INDIA

**Date:** 29th September 2022  
**Media Name:** Forbes, India  
**Edition -** Regional Goliaths - October 2022



**REGIONAL BRANDS**

not pay the vendors on time. "This is when the idea of contract farming struck and we experimented with this model in 1990 with just three farmers," says Sundararajan. Contract farming was unheard of in India's poultry sector, until Suguna.

"We provided farmers with everything they needed to hatch chicks—from feed to medication—and the farmers, in turn, gave the grown bird to us." Through this model, the cost centres for a farmer came down from 14 to four—a win-win situation for both the farmers and Suguna. "Looking back, I think it was a risky bet. But we did what we thought was right," reckons Sundararajan. When the model was introduced, farmers were resistant to the idea, but once they saw good results in the trial batches, the word spread. By 1997, 40 farmers had joined them and the turnover touched ₹7 crore.

Soon after, Suguna Chicken became a household name in Tamil Nadu. The company today provides farmers with end-to-end solutions, and has supervisors who visit 10 to 15 farms daily. "I have been in the poultry business with Suguna for the past two years. Suguna's team and staff are giving me the right guidance and advice; it has helped in earning good growing charge and profits," says Abulal Jabbar, a farmer from Mannarkkad, a small village in Kerala. Suguna follows a 'growing charge' model by which farmers get paid a certain amount per kilo. "There is a minimum growing charge as well. In case the farmer's performance is very poor, the company pays them a minimum growing charge to take care of expenses," says Vignesh. This is a far more sustainable approach, as the farmer earns a fixed income—the minimum growing charge—every two months, in addition to performance incentives. Looking back, both father and son attribute this unique concept of contract farming to the company's rapid success. At present, close to 80 percent of poultry in India is raised through contract farming.

**FOCUSING ON THE CORE**  
The largest contributor to its



**Suguna Chicken**  
Products that are sold to the wet market; 80 percent of total revenue

**Defrez**  
The processed food vertical, which includes meat, eggs and its click-and-mortar stores

**Mother's Delight**  
Sells soya oil to Maharashtra and Madhya Pradesh

**Suguna Feeds**  
Includes both poultry and dairy feed

revenue—80 percent—is the farm business. This includes both the broiler and breeder. Products that are sold to the wet market, which sells fresh meat, fish, and produce. It also has over 70 feed mills across the country, where it produces animal feeds. Suguna Feeds makes both poultry and dairy feed. "Poultry includes broiler, layer, and country chicken. Dairy is all cattle feed, a vertical that we started only last year looking at the demand," explains Vignesh.

On the B2C side, Suguna Foods' second largest revenue contributor is soya. "One of our protein sources for animal feed is soya. We have a soya processing plant in Nagpur, where the seed gets split into meal and oil. The meal goes to all our feed mills," says Vignesh. The oil was earlier sold wholesale. "We now refine it and sell it across Maharashtra and Madhya Pradesh under the brand name Mother's Delight."

The last business vertical is processed food, which includes meat, eggs and its click-and-mortar stores. In 2021, it implemented a brand restructuring for its segment, with the launch of its new brand Defrez, which has nearly 300 stores across India. The group has invested over ₹100 crore in Defrez and plans to launch over 1,000 outlets by 2025. "Defrez is now present in major online and offline channels, including platforms like Big Basket, Grofers, Swiggy, Zomato and Dunzo. Apart from diverse poultry products, the brand also includes ready-to-eat, ready-to-cook, and marinades," says Vignesh. Defrez also retails in stores in metros like Chennai, Bengaluru, Gurgaon, Mumbai, and Cochin.

Even now, India's poultry sector remains largely unorganised. "Slowly it is becoming organised, with more and more people moving to contract farming. The market is moving a lot more towards processing, many large players are investing in processing plants now," explains Vignesh.

Margins for the poultry business are thin and fluctuate based on consumption patterns and seasons, especially in India. As the industry moves towards processing, margins are expected to improve.

Back in 2016, the group diversified into the dairy

**REPORT CARD**  
Total revenue (₹ cr)

	FY19	FY20	FY21
Net Profit	132.9	-382.5	358.9
EPS			
Dividend			

business by focusing on milk and curd. As part of Suguna Dairy Products, it had a unit near Coimbatore, serving western Tamil Nadu and Kerala. "We thought dairy definitely has the potential to grow as big as the poultry market, and is closely aligned with farmers we worked with," says Vignesh. "But margins are thin in dairy as well, and you have to depend on distributors and retailers, and share margins with them." Last year, the group decided to sell that business to Hyderabad-based Heritage Foods, and focus on poultry as a core. "Rather than looking at new verticals," says the 29-year-old, "we decided to focus on geographical diversification, instead."

**TECH-FOCUSSED**  
Since 1997, the founders decided to start leveraging technology to help professionalise Suguna Foods. They introduced the Oracle ERP, which helped create a central database in Coimbatore. "For most manufacturing units or FMCG companies, inventory is sitting in a few warehouses, so it is easy to control those. But our inventory—every bird across every farm—is sitting in 45,000 locations across the country. This is why ERP was necessary for us, and we were the first ones to introduce this technology in the poultry space."

More recently, the company has introduced its mobile application, through which customers can see which farms are available for selling live chicken. "They can pick the farm on the application, locate it and find the exact route," he adds.

**THE PANDEMIC EFFECT**  
Due to a lot of misinformation during the first few months of Covid-19, the poultry industry reportedly ran into losses of over ₹26,000 crore in just three months of 2020. Vignesh recalls, "We're dealing with a live product that you cannot keep in a warehouse; you will have to sell it, so the prices crashed at the time." Wholesale prices of broiler chicken crashed to a low of around ₹50 per kg in March 2020 from ₹90 per kg that January. "Even after the misconceptions were cleared by the government and ICAR, hotels were shut for a brief period of time. Close to 30-40 percent of meat consumption comes from that segment. We did suffer, but now things are back to normal," he adds.

In FY21, the company clocked in a turnover of ₹9,158.04 crore, an increase of ₹418.28 crore from its FY20 turnover of ₹8,739.76 crore. Profit after tax for FY21 was ₹166.89 crore, against a loss of ₹382.51 crore in the previous financial year, due to the pandemic.



**SUGUNA FOODS**

B Sundararajan (Centre), who started the Suguna Group in 1984

Sundararajan says, "The pandemic has been a great learning opportunity for every industry and today we are happy to see one of our biggest takeaways from the pandemic take shape with a very innovative approach to our poultry format. The rebranding [Defrez] exercise was a major initiative that we have undertaken to be relevant in today's digital world."

**EXPANDING GLOBALLY**  
In 2010, the company expanded to Sri Lanka, followed by Bangladesh in 2011 and Kenya in 2017. In 2020, the International Finance Corporation (IFC), the multilateral lending arm of the World Bank, announced an investment of \$54 million in Suguna Holdings, for the company's expansion projects in Bangladesh and Kenya. Suguna invested \$15.9 million in Suguna Food and Feeds Bangladesh and \$8.4 million in Suguna Poultry Kenya, to capitalise on both these growing economies. The group also has another subsidiary company, Globion, an animal health care company manufacturing poultry vaccines. The turnover from the company's exports is ₹18.41 crore in FY21. Vignesh has set up a leadership team for each of the four verticals. "Gradually, I would like to move the business from a family-led organisation to a professional institution," he says. Apart from Suguna Foods, all other subsidiaries of the group company are being run by CEOs who report to Sundararajan.

Do they have plans to expand to more countries and new verticals? "We want to stay focussed on our four main strategic business units, and be an inch-wide and mile-deep player," says Vignesh. For a company at such a stage, an IPO is presumed to be the next big step. The managing director says, "We've not closed our eyes to the idea. But, frat, we are building the business that is ready for an IPO in the future."



## YouTube Coverage

**Date:** 26th September 2022

**Media Name:** News7 Tamil - Paesum Thalaimai

**Link:** <https://youtu.be/qQxEkYQnHkE>



#News7TamilPRIME #News7Tamil #News7Tamilnews

**கோழி இறைச்சி உலகின் கோமகன் SUGUNA GROUP  
திரு.சௌந்தராஜன் | Pesum Thalaimai | Sugana Group |25-09-2022**

## Online Links

S.No	Date	Media Name	Headline	Link
1	09.09.2022	Indian Newz	Delfrez Transforms Baggage Belts with Gift Hampers This ONAM.	<a href="https://indiannewz.wordpress.com/2022/09/08/delfrez-transforms-baggage-belts-with-gift-hampers-this-onam/">https://indiannewz.wordpress.com/2022/09/08/delfrez-transforms-baggage-belts-with-gift-hampers-this-onam/</a>
2	09.09.2022	Media News 4 U	Heartwarming Onam campaigns from brands spread festive delight	<a href="https://www.medianews4u.com/heartwarming-onam-campaigns-from-brands-spread-festive-delight/">https://www.medianews4u.com/heartwarming-onam-campaigns-from-brands-spread-festive-delight/</a>
3	30.09.2022	Indian Newz	Delfrez Launches Exciting Range of Ready-to-Cook, Ready-to-Eat	<a href="https://indiannewz.wordpress.com/2022/09/29/delfrez-launches-exciting-range-of-ready-to-cook-ready-to-eat-meat-products/">https://indiannewz.wordpress.com/2022/09/29/delfrez-launches-exciting-range-of-ready-to-cook-ready-to-eat-meat-products/</a>
4	30.09.2022	APN News	Delfrez Launches Exciting Range of Ready-to-Cook, Ready-to-Eat	<a href="https://www.apnnews.com/delfrez-launches-exciting-range-of-ready-to-cook-ready-to-eat-meat-products/">https://www.apnnews.com/delfrez-launches-exciting-range-of-ready-to-cook-ready-to-eat-meat-products/</a>
5	30.09.2022	Apple Podcast	What makes regional goliaths: The inside story	<a href="https://podcasts.apple.com/in/podcast/inside-forbes-india/id418685623?i=1000580638166">https://podcasts.apple.com/in/podcast/inside-forbes-india/id418685623?i=1000580638166</a>
6	06.10.2022	Forbes India	Suguna Foods: Meet the Rs 9,000 crore poultry goliath from Tamil Nadu	<a href="https://www.forbesindia.com/article/regional-goliaths/suguna-foods-meet-the-rs-9000-crore-poultry-goliath-from-tamil-nadu/80315/1">https://www.forbesindia.com/article/regional-goliaths/suguna-foods-meet-the-rs-9000-crore-poultry-goliath-from-tamil-nadu/80315/1</a>

**Thank you!**