Early Warning System

IFC-42834

Suguna III

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Quick Facts

Countries	Bangladesh, India, Kenya
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2020-03-27
Borrower	SUGUNA HOLDINGS PRIVATE LIMITED
Sectors	Agriculture and Forestry
Investment Type(s)	Loan
Investment Amount (USD)	$ 54.00 million
Loan Amount (USD)	$ 54.00 million
Project Cost (USD)	$ 67.20 million

Project Description

According to IFC, the proposed project aims to provide investment to:

(a) Suguna Foods Private Limited (SFPL) in India for the construction of poultry infrastructure, including potentially a hatchery, processing plant, poultry environment-controlled shed, premix plant and related poultry assets and incremental working capital financing to further expand its operations in northern and eastern India (primarily in Uttar Pradesh, Assam, Punjab) as well as in some parts of Western India;
(b) Suguna Food and Feeds Bangladesh Pvt. Ltd.(SFFBL) for construction of feed mills, breeders, and hatcheries in Bangladesh;
(c) Suguna Poultry (Kenya) Limited (SPK (L)) in order to finance expansion of operations in Kenya.

SHPL headquarters is located at 1020, Avinashi Road, II floor, Above AUDI Showroom, Coimbatore 641018 India. The Project is expected to be carried out at the following locations:

SFPL:

- Suguna Foods Private Limited, Plot No - 19,20 & 21, Jayamangal Industrial Area, Khurda - Tahasil, Dist - Khordha, Odisha – 752101, India
- Suguna Foods Private Limited, Plot No. - A - 13 & A - 14, Panagarh industrial Park, Panagarh,Dist - Burdwan, West Bengal – 713148, India
- Suguna Foods Private Limited, Plot No. - 201, 202, 203, 205 & 206, MK Road, Deotala Village, Gazole PS, Malda Dt, West Bengal -732124, India
- Suguna Foods Private Limited, Plot No. - LR / 1355, 1356, 1363, Ratanpur, Onda, Bankura - Dist West Bengal – 722152, India
- Gorakhpur Industrial Development Authority, Plot No. F-6, 15 GIDA, Jidiyan, Thasil, Sahajanwa, Gorakhpur, Uttar Pradesh – 273209, India

SFFBPL:

- Breeder Farm: Suguna Paitapukur Project, Bamlahal, Paitapukur, Dag RS 1101, 1123, 1125, 1127 & 1125, Post Office Chobbishnogor, 6000, Thana/Upazilla Godagari, Rajshahi, Bangladesh
- Breeder Farm: Suguna Narayanpur Project, Narayanpur, Uchadanga Narayanpur, Dag RS 394, 1119, 1120, 1122, 1123, 1124, 1125, 1126 JL: 61, Post Office Kharikulla Narayanpurrman, 6311, Thana/Upazilla Tanore, Rajshahi, Bangladesh
- Feedmill: Mirzapur, Mirzapur under 5 No. Mirzapur Union (Ward-07), Dag 371, 372, 373, 369, 378, 354, 359, 361, 360, 358, 351, 352, 353, 347, 348, 382, 384, 385, 386, 415, 381, 362, 379, 380, 383, Post Office Mirzapur, 5840, Thana/Upazilla Sherpur, Bogra, Bangladesh

SPKL:

- Breeder Land: Plot L.R. No. Kjd/Ildamat/9448, Off Namanga Road, Kajiado, Kajiado County, Kenya
- Feedmill Land: Plot L.R. No. 7240/480, Near Shell Petrol Station, Thika Garissa Road, Thika, Kiambu County, Kenya
- Interim Feedmill at Thika: NEW OSHWAL DISTRIBUTORS LIMITED, Go Down Numbers 4, 5, 6, 7, 8 and 9, On Title Number: Thika Municipality Block 13/318, Thika, Kiambu Country, Kenya

Investment Description

- International Finance Corporation (IFC)

The proposed investment (the “Project”) includes the following:

(a) US$40 million to SFPL in India;

(b) US$10 million to SFFBL in Bangladesh; and

(c) US$4 million to SPKL in Kenya.

Private Actor Relationship

SHPL holds the following fully-owned subsidiaries:

(a) Suguna Foods Private Limited (“SFPL”) (India): is the Group’s flagship company and contributes to more than 90% of the Group’s revenues. It is a fully integrated poultry enterprise engaged in feed mills, broiler and contract farming, hatcheries and processing plants in India and is now also involved in value-added products for the retail market (mostly chilled meat).

SFPL operates (a) 72 owned and leased hatcheries across India supporting over 35,000 farmers; (b) about 75 feed mills including India’s largest feed mill with a capacity of 2,000 MT per day in Karnataka; (c) grandparent (GP) and breeder farms, some in environmentally-controlled sheds (EC sheds); (d) contract broiler farms; (e) three processing plants; and, (f) a research and development division that continuously works towards improving the feed conversion and standardization of nutritional requirements of the birds. SFPL is continuously expanding and currently has operations in 20 states in India;

(b) Globion India Private Limited (India): is an animal healthcare company, primarily engaged in the manufacturing of vaccines for poultry and industries, both for captive consumption of the Group and external sales; The company also sells healthcare products of livestock and aquatic feeds.

(c) Suguna Dairy Products Private Limited (India): incorporated in 2016 as a spin-off of SFPL’s dairy business in India. It is engaged in the production and marketing of milk and curd. It leverages Suguna Foods’ network of farmers in and around Coimbatore, Tamil Nadu to procure milk directly from farmers and to test for quality, complying with India’s food safety regulations;

(d) Suguna Food and Feeds Bangladesh Pvt. Ltd. (“SFFBL”) (Bangladesh): entered Bangladesh in 2011, by setting up a leased feed mill. It then set up breeder operations and sells farmers a package of feed and day-old chicks. SFFBL now runs 2 leased feed mills, which are operating at full capacity.

(e) Aminovit Feeds Private Limited (Sri Lanka): started its operations in 2011, engaged in the production of poultry feed premix. It procures part of its raw materials from SFPL and exports its premix products back to SFPL and other feed production companies in India; and

(f) Suguna Poultry (Kenya) Limited (“SPKL”) (Kenya): established in 2016 to facilitate Suguna’s entry into the African market. It is currently a feed manufacturer but now aims to invest in both a breeding facility and an owned feed mill.

Private Actors Description

Established in 1984, the group of companies known as the Suguna Group consolidated under the holding company Suguna Holdings Private Limited (“SHPL” or the “Group” or “Suguna”), is now one of the leading poultry integrators in India with operations covering all areas of the poultry sector including broiler and layer farming, hatcheries, feed mills and processing plants.
The Group has operations across 20 Indian states and one union territory, and also has an overseas presence in Sri Lanka, Bangladesh, and Kenya.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Suguna Holdings Private Limited	Client	-

Contact Information

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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/

Bank Documents

- Environmental and Social Review Summary
- Summary of Investment Information