



**Aadhimalai Pazhangudiyinar Producer  
Company Ltd.**

**Annual Report 2016-17**



***Vision:***

***Securing sustainable livelihood and a sound environment for the tribal communities of NBR.***

***Mission:***

***Creating opportunity for the tribal communities to market their farm and forest harvest through processing, value adding and human resource development with fair trade principles.***

***Objectives:***

***To work towards the development of indigenous people in the country, particularly, the Nilgiri Biosphere Reserve (NBR) and undertake processing including preserving, drying, freezing, venting, canning and packaging, warehousing, cold storage, service for the products of its members. Also, to cultivate all kinds of organic farming products and non-timber forest produce (NTFPs) and to purchase, take lease or acquire any land or plantation or estates and to work, develop and to maintain the same and render marketable any such produce and to sell, dispose-off and deal in such either in its prepared, manufactured or raw state.***



### Letter from the CEO

Aadhimalai was set up in 2013. We have traversed four years of our exciting and unique journey, gaining confidence while taking each stride. From bringing together federated groups within different parts of the Nilgiri Biosphere Reserve (NBR), set up by Keystone, under one umbrella and registering it as an FPO, to turning profitable, we have taken measured steps one by one.

We are happy to share that we have registered a strong financial performance in the Financial Year 2016-17 by touching Rs.95 Lakhs in revenues, of which Rs. 1.85 Lakhs is the operational profits. We have purchased Rs. 51.56 Lakhs worth of agriculture/ NTFP from the tribal communities during this period.

Two things that make us unique are the facts that all our shareholders and directors belong to the tribal communities of the NBR. Around 70% of our sales come from value added products, unlike other farmer cooperatives who concentrate on aggregation of produce.

Our uniqueness has been recognised by several other farmer institutions across the country and we are becoming a model for these organisations. As a result we are receiving several requests from different parts of the country to visit our place and help them in setting up similar institutions.

Our growth and success will not have been possible without the help of two institutions – Keystone Foundation, who incubated Aadhimalai and nurtured us through our journey by supporting us in multiple ways and Last Forest Enterprises, which consumes more than 40% of our products. We enjoy a symbiotic relation with these institutions and have grown together.

A special thanks to several of our customers and well wishers across the country who have helped us in achieving this growth and spreading our word.

Our small team has worked beyond their limits to achieve this progress. This year is dedicated to the excellent effort shown by the team.

Sincerely,

Arun Ramachandran G.

CEO, Aadhimalai



## இயக்குனரின் கடிதம்

ஆதிமலை பழங்குடியினர் உற்பத்தியாளர் கம்பெனியானது – பழங்குடியினர் மக்களிடமிருந்து பொருட்களை கொள்முதல் செய்யப்படுகிறது. ஆதனை உற்பத்தி மையத்திற்கு கொண்டு சென்று அதனை மதிப்புக்கூட்டு பொருளாக மாற்றி சந்தையில் விற்பனை செய்யப்படுகிறது. பழங்குடியின மக்களின் வாழ்வாதாரம் முன்னேற்றம் அடையவும், விவசாயத்தின் மூலம் உற்பத்தியை மேம்படுத்தவும் பயிற்சியளிக்கப்படுகிறது. கடந்த இரண்டு ஆண்டுகளை விட 2016-2017 ஆம் ஆண்டில் மக்களிடம் அதிக அளவில் பொருட்கள் கொள்முதல் செய்துள்ளது.



அதுமட்டுமல்லாமல் விற்பனையிலும் நல்ல முன்னேற்றம் அடைந்துள்ளது. கடந்த ஆண்டில் இருந்து உற்பத்தியான பொருட்களை மற்ற மாநிலங்களிலும் விற்பனை செய்யப்படுகிறது.

புதிய பொருட்கள் செய்வதற்கு உற்பத்தி மையத்தில் உள்ளவர்களுக்கு பயிற்சி அளிக்கப்படுகிறது.

பல கிராமங்களுக்கு சென்று மக்களிடையே அதிகளவில் பொருட்கள் கொள்முதல் செய்துள்ளது. இங்கு பஞ்சு, காப்பி, நாவல்பழம், தேன் குறுமிளகு, சாமை, திணை, ராகி, கீரை, கடுகு போன்ற பொருட்கள் மக்களிடம் இருந்து கொள்முதல் செய்யப்படுகிறது.

எனது தனிப்பட்ட முயற்சியால் காப்பி, குறுமிளகு, பஞ்சு, நாவல்பழம் ஆகிய பொருட்களை கொள்முதல் செய்து கொடுத்துள்ளேன்.

உறுப்பினர்களிடம் தொடர்பை ஏற்படுத்தி கம்பெனியின் கொள்முதல் விவரங்களை சேகரித்து அலுவலகத்தில் தகவலை கொடுத்து வருகிறேன்.

வருங்காலத்தில் ஆதிமலை பழங்குடியினர் உற்பத்தியாளர் கம்பெனியானது நல்லமுறையில் முன்னேற்றம் அடைய எனது மனமார்ந்த வாழ்த்துகளை தெரிவித்து கொள்கிறேன்.

நேர்மையுடன்

ஜானகி

இயக்குனர், ஆதிமலை

### Procurement over last 3 years

Commodity	FY 2014-15	FY 2015-16	FY 2016-17
Units	KG	KG	KG
Honey	436	11,429	11,057
Dammer Honey	0	86	276
Hive Honey	0	7	123
Florea Honey	0	79	426
Beeswax	81	214	279
Coffee Parchment	431	3,119	3,352
Coffee Cherry	116	26	685
Amla	4,159	6,916	951
Wild Mango	0	221	387
Jamun Fruit	0	419	2,076
Jamun Seed	0	0	253
Kadukai	0	517	300
Fig	45	76	550
Dhupa	0	35	190
Shikakai	0	725	2,544
Soap nuts	0	256	1,566
Garlic	0	182	81
Flakes	0	650	494
Little Millet	1,184	3,833	9,032
Foxtail Millet	414	2,330	1,236
Ragi	349	1,572	2,353
Nutmeg	0	0	66
Silk Cotton	16	454	5,042
Cinnamon	60	60	200
Pepper	34	484	281
Amaranthus	63	117	260
Green Pepper	0	0	56
<b>Total Purchase (in Rs)</b>	<b>12,65,910</b>	<b>50,60,085</b>	<b>59,41,308</b>

### Procurement of Forest/Agri Produce from Tribal Communities of NBR

The Nilgiri Biosphere Reserve is an International Biosphere Reserve in the Western Ghats. It is a fascinating ecosystem, covering a tract of over 5000 square kilometers, and was constituted as Nilgiris Biosphere Reserve by UNESCO in September 1986 under Man and Biosphere Programme. Nilgiris Biosphere Reserve is India's first and foremost biosphere reserves with a heritage, rich in flora and fauna.

A variety of human cultural diversity can be found in the Nilgiri Biosphere Reserve. Tribal groups like the Todas, Kotas, Irulas, Kurumbas, Paniyas, Cholanaickens, etc., are native to the reserve.

Aadhimalai mainly works with the Kurumbas and the Irulas, whose primary source of income is collection of NTFP and agriculture. Getting a fair price for the produce is critical for improvement in their livelihood.

The traditional markets for their produce are local traders. The local traders negotiate heavily on price, cheat on the weighing scales and entrap the farmers on a debt trap.

Aadhimalai is the only formal institution within the Nilgiris region which collect NTFP and agri produce grown by the tribal community grown in an ecologically friendly and sustainable manner.

Aadhimalai has 1609 active shareholders. Of these we categorise active members as those members who contribute their produce to the company in a financial year.



### Community members impacted through purchase of NTFP and Agri Produce

Produce	2015-16	2016-17
Honey	219	221
Silk Cotton	7	37
Milletts	65	88
Coffee	76	158
Pepper	10	12
Jamun	0	9
Amla	55	12
Others	77	158
Total	509	695

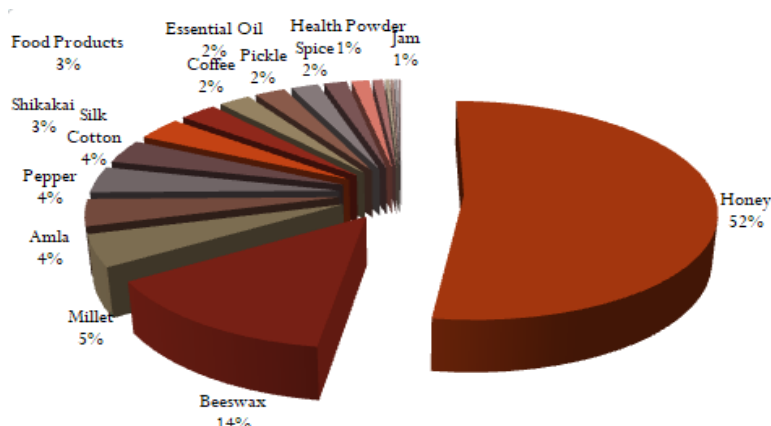
### Sales & Marketing

Aadhimalai markets its products either under Aadhimalai's own brand names or rebrands for its customers in the customer designed packaging.

Marketing channels of Aadhimalai include the following:

- Rebranding done for institutions like Last Forest Enterprises
- Four Retail outlets called Honey Huts located in Bannari, Hasanur, Sathyamangalam and Masinagudi
- Retailers in urban centers mostly in Tamil Nadu

## Category wise Sales



## Online Presence

Aadhimalai has launched its website at <http://aadhimalai.in>. The website provides information on various aspects of the company including a store locator. We have also launched a facebook page <https://facebook.com/aadhimalai>

## New Products Launched in the Market

Aadhimalai has developed the below new products in the FY 2016-17:

- Soaps – new designs and new fragrances for Last Forest Enterprises
- Triphala Powder – a mixture of 3 items – amla, kadukkai and thandrikkai
- Green Coffee Powder – unroasted coffee powder which is used for weight loss
- Millet Snack Mixture – evening snack made from millets

## Financial Statements

### Profit & Loss

Particulars	31.03.2015	31.03.2016	31.03.2017
Revenue from Operations	48,12,993.97	69,07,820.00	92,12,598.00
Other Income	1,58,396.00	1,97,011.00	2,84,983.00
<b>Total Revenue</b>	<b>49,71,389.97</b>	<b>71,04,831.00</b>	<b>94,97,581.00</b>
Cost of Materials Sold	36,03,373.00	46,21,522.00	60,66,534.00
Employee Benefit Expenses	9,73,658.00	19,30,948.00	23,26,083.00
Finance Costs	4,320.00	39,688.00	24,575.00
Depreciation / Ammortization	28,000.00	55,369.00	48,036.00
Other Expenses	4,80,498.00	8,41,477.00	8,84,471.00
<b>Total Expenses</b>	<b>50,89,849.00</b>	<b>74,89,004.00</b>	<b>93,49,700.00</b>
Profit before Tax	(1,18,459.03)	(3,84,173.00)	1,47,881.00
<b>Profit after Tax</b>	<b>(92,682.00)</b>	<b>(3,95,375.00)</b>	<b>2,35,557.00</b>

## Balance Sheet

Particulars	31.03.2015	31.03.2016	31.03.2017
Equity & Liabilities			
Share Capital	48,85,000.00	48,85,000.00	48,85,000.00
Reserves and Surplus	(85,472.00)	(4,80,847.00)	(2,45,291.00)
Loans outstanding		6,25,000.00	-
Trade Payables	7,01,005.00	6,60,418.00	6,82,217.00
Other Current Liabilities	1,60,602.00	2,21,927.00	4,90,902.00
<b>Total</b>	<b>56,35,358.00</b>	<b>59,11,498.00</b>	<b>58,12,828.00</b>
Assets			
Fixed Assets	88,841.00	74,963.00	57,061.00
Other Non Current Assets	68,668.00	42,334.00	16,000.00
Deferred Tax Assets	25,776.00	14,573.00	102,249.00
Inventories	28,92,996.00	36,81,210.00	38,98,543.00
Trade Receivables	6,73,060.00	7,69,936.00	9,49,763.00
Cash and Cash Equivalents	17,71,878.00	11,27,130.00	3,91,696.00
Short Term Loan/Advances	1,13,581.00	3,97,599.00	3,71,183.00
Other Current Assets	26,334.00	26,334.00	26,334.00
<b>Total</b>	<b>56,35,358.00</b>	<b>59,11,498.00</b>	<b>58,12,828.00</b>

## Aadhimalai Team



## Advisors

**Snehlata Nath:** Sneh or Sneha Madam is a founder director of Keystone Foundation and works with Livelihoods, Indigenous Peoples Programme and the Hunter-Gatherer Initiative. She supports NGO networks in India around forests and indigenous people.

**Robert Leo:** Leo Sir joined Keystone during beekeepers and honey hunters survey in 1993-94 and has been an integral part since then. He is a native of Kodaikanal. He is currently the Deputy Director of Keystone.



**Mallikarjuna Moorthy:** Moorthy Sir has led from the front right from the time the processing centres were set up by Keystone. He became the CEO of Aadhimalai when it was registered. Moorthy Sir is helping us come up with new products.

### Operations Team

**Arun Ramachandran:** Arun is the CEO for Aadhimalai and comes from a management background. He is an IIM Calcutta alumni. Before joining Aadhimalai, Arun has worked in HR and IT fields. Arun is a native of Trivandrum.

**Sivakumar:** Sivakumar comes from Yedapalli in Coonoor and has been with Keystone for over 8 years and has seen the growth of Keystone and Aadhimalai from close quarters. Siva looks after the finances for Aadhimalai.

**Rangaswamy:** Rangaswamy hails from Gildhimbam near Hasnur and works as the Centre Head for Hasanur Centre. Rangaswamy has steered the centre from its inception. He lives with his family in Sathyamangalam.

**Moorthi:** Moorthi looks after stock and procurement for Aadhimalai. He hails from Kadasolai village. Moorthi has completed his MSc in Computer Sciences from Coimbatore.

**Jestin:** Jestin is responsible for Operations & Sales. He has done his engineering in Mechanical in Erode. He lives in Kotagiri.

**Krishnan:** Krishnan is a veteran with Aadhimalai and is one of the first employees of Aadhimalai and Keystone's value addition related projects. He travels daily from Kozhithurai village near Kunjapanai checkpoint.

**Kaliappan:** Kaliappan has been with Aadhimalai and Keystone for over 7 years and comes from Kozhithurai village, often braving threats from elephants.

**Tamil Mani:** Mani has been associated with Keystone for over 10 years and drives around Aadhimalai's trademark vehicle - the Mahindra Camper.

**Hasanur Team:** Rangaswamy is supported by Rajamma and L. Chithra who work as Production Supervisors. The other team members include K. Chitra, K. Sivakami, Latha, Selvi, Nagarathinam, Devayani, Meena, Gowri, and S.Sivagami.

**Pudukad Team:** Sumitra acts as the Production Supervisor for the Pudukad Centre. She is assisted by Maheswari, Sellamma, Santhi, Radha and Radhika.

**Bangalapadigai Team:** The Bangalapadigai team consist of Vanaja, Chithra, Kamala, Veeraiyamma and Kamma who all stay in the village close to the centre.

**Honey Hut Sales Staff:** Our 4 honey huts are managed by Kalamani, Ranjitha, Manimegalai and Saranya.

### Employment Generated

Providing employment to indigenous community members, especially women, at the village level has been one of our key objectives. This has seen a significant jump over the years. In 2013-14, a total of 3400 days of employment was given mainly to women tribal members

working in the various production units of Aadhimalai. This has grown to over 6400 days of employment in 2016-17.

### No of days of labour generated at the village level

	2013-14	2014-15	2015-16	2016-17
<b>Bangalapadi</b>	456.08	348.73	908.30	1,038.37
<b>Hasanur</b>	2,081.70	766.79	2,794.56	3,207.49
<b>Pudukad</b>	613.81	178.13	969.62	1,005.90
<b>Pillur</b>	231.81	1.03	91.44	42.00
<b>Total</b>	3,383.39	1,294.67	4,763.92	6412.52

### Board of Directors

Aadhimalai's Board of Directors comprises of members from the indigenous communities and are representative of the different regions in which we operate in.

#### Jadayappan

Jadayappan was the the first Managing Director of the Aadhimalai, who hailed from Geddesal village located in the Dhimbam Hills, a leader not only for his community, the Sholigas, but for all communities. He started as a farmer and collector of forest produce and then became the leader of the VFC. He was elected as the President of the Hasanur Panchayat. He worked tirelessly towards the well-being of the indigenous communities and paved way for a fair trade enterprise. He passed away in 2014 leaving a big void among the people in the region.

#### Janaki

Janaki is farmer by profession and owns over 4 acres of land near Vellaricombai. She also works for Seemai Suddhi, a local newspaper initiated by Keystone and is a reporter for Radio Kotagiri, another initiative of Keystone. She grows pepper and coffee in her farms and is a popular figure in her region.

#### Palani

Palani hails from Bangalapadigai village. He is a farmer by profession and grows millets, coffee and pepper. He has been a guiding light for Aadhimalai as he is well informed of the activities of farmers in this area.

#### Lingan

Lingan belongs to Coonoor area and is traditionally a honey hunter, who also does farming of coffee and pepper. He helps collect honey, dhupa, shikakai, soap nuts and kadukkai from the forests. He is currently a panchayat member.

#### Nagaraj

Nagaraj is from Hasanur area and is a farmer. He cultivates millets. Nagaraj also runs a tea shop in Dhimbam area. He also coordinates with farmers in the region to help Aadhimalai procure millets and other farm produce.

#### Saroja

Saroja hails from Sigur area and runs a grocery shop in Sigur. She is also involved in farming in the region.

## **Sumati**

Sumati is from Pillur area. She is involved in vegetable farming.

### **Annual General Body Meeting**

Aadhimalai conducted its Annual GB of shareholders in Hasanur on 28<sup>th</sup> September, 2016. The shareholders discussed various aspects of the company's activities in its different regions and decided to add more members from Sigur area to the membership. It was also decided to add more directors – Balan from Hasanur and Mallika from Pillur.



Village level meetings were held in Pillur, Bangalapadigai, Kozhithurai and Coonoor as a prelude to the Annual General Body meeting in August and September of 2016.

### **Trainings & Exposure Visits**

#### **Timbaktu Collective**

An Aadhimalai contingent of 36 members including the administrative staff, working women from the processing centres and directors visited Timbaktu Collective and



Dharani FaM Coop Ltd. from 13<sup>th</sup> to 15<sup>th</sup> of October, 2016. The Timbaktu Collective is a registered Not-for-Profit Organisation initiated in 1990, working for sustainable development in the drought prone Anantapur district of Andhra Pradesh (A.P.).

#### **Product Development Training with TNAU**

A team led by Dr. Balasubramanian, Professor at TNAU Trichy conducted product development training on Amla juice making for women in Bejalatti village and Tamarind value addition for Nandipuram women. The trainings were conducted in March of 2017.



### **Honey Hunters training**

In association with Last Forest Enterprises and EXIM Bank, we organised 2 training programmes for honey hunters on sustainable harvesting of honey. The trainings were conducted in January 2017 in Hasanur and Kotagiri.

### **Triphala Mix Training**

Triphala is a traditional Ayurvedic preparation made from the powders of 3 forest produces - Kadukkai powder (*Terminalia Chebula*), Nelli powder (*Embilica Officinalis*) and Thandrikkai powder (*Terminalia Bellirica*). It has several benefits including aiding in weight loss, flushing out toxins, having anti-allergic and anti-cancerous properties. Dr. Saravanan, a Sidhha doctor helped Aadhimalai in coming up with this preparation & has trained the women in Hasanur Centre in June 2016.

### **Appropriate Technology**

Aadhimalai was ably supported by the Appropriate Technology team in Keystone on 3 areas:

- For square shaped soap production – a square mould, screw press and wire cut frames were designed and fabricated for the Pudukad Centre.
- For soap mixing, a hand operated unit was developed.
- A solar drier for drying nutmeg was also developed for the Pudukad Centre.



### **Support from Rabobank Foundation**

Rabobank has been associated with Aadhimalai from the year 2015.

Key aspects of Aadhimalai's growth has dependent on human resources, capacity building of community members, village level interactions with community members, marketing, branding and product development.

In each of these areas, Rabobank's financial support has been quite critical for the growth of the company.



## PGS Certification

Aadhimalai is working with Keystone to spread awareness of organic agriculture and Participatory Guarantee System (PGS). Organic agriculture has been traditionally practised by the adivasi community in the Nilgiris Biosphere Reserve. PGS offers a hassle free and trust based peer to peer certification to the farmers. Aadhimalai will be supporting the farmers with PGS certification by offering a premium procurement price for the produce.



## Social Impact

Social and Economical benefits that Aadhimalai provides to the communities include the following:

1. Higher rates for forest and agri produce compared to the market  
Aadhimalai offers a higher price compared to the local traders for the products it purchases from the community. For eg., we procured coffee at Rs. 10/- more than the rates offered by the traders. For some products like honey, Aadhimalai procures at almost 50% higher rate compared to other bulk buyers.
2. Market for NTFP  
Aadhimalai provides a market for NTFP products like shikakai, beeswax, figs, haritaki, soapnuts, etc which otherwise do not have local buyers.
3. Bonus sharing  
Aadhimalai shared Rs. 1 Lakhs as bonus to the community members who supplied their produce during the FY 2015-16. The amount related to this was handed over to the members in village based meetings.
4. Electronic weighing scales  
At Aadhimalai, only electronic weighing machines are used for measurements to ensure that there are no discrepancies in measurements and that the community is getting accustomed to such a system even when they are dealing with traders.
5. Insurance to honey hunters  
Aadhimalai provides accident insurance coverage to honey gatherers for Rs. 1 Lakh since honey collection is a risky task.
6. Training on sustainable harvesting of forest produce  
It is very critical to maintain and develop the ecosystem in the region. For this, sustainable harvesting of the forest produce is necessary to ensure that every year the forest can provide for the community. Aadhimalai in association with Keystone Foundation provides training to the community members in sustainable harvesting techniques for forest produce.
7. Support for organic agriculture  
Aadhimalai encourages farmers to practice organic agriculture. It enables and supports them to form groups as part of the Participatory Guarantee System (PGS).



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