

2022-2023



# AADHIMALAI PAZHANGUDIYINAR PRODUCER COMPANY LTD

## ANNUAL REPORT



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# Foreword

Over the past year, Aadhimalai has made significant progress towards achieving its mission. We have continued to work closely with the indigenous communities in the region to provide them with training and support to improve their livelihoods while also preserving the environment. The timely support from APPI and SGIF, facilitated by Keystone Foundation, has significantly enhanced our efforts to improve production centers and enhance organizational traits. Additionally, Nabkisan has consistently provided valuable assistance, ensuring a balanced cash flow. The Procurement and Production team has excelled this year, demonstrating remarkable progress in both work quality and product excellence.



We have received significant support from Last Forest Enterprises in terms of value-added product sales. Additionally, TRIFED has consistently supported us in our marketing efforts. Ramesh Exports and Black Baza have played a crucial role in helping us sell our coffee inventory. Cavinkare has been instrumental in taking care of NTFP products like Shikakai and Soapnut, ensuring a consistent cashflow for us.

Through our various initiatives, we have been able to create employment opportunities for the local communities, especially women, by promoting the sustainable harvesting and processing of forest produce. At Aadhimalai, our vision has always been to create a harmonious coexistence between humans and the environment. We firmly believe that the conservation of biodiversity and the sustainable development of communities go hand in hand. Guided by this principle, we have embarked on a transformative journey that has touched the lives of countless individuals and rejuvenated the fragile ecosystems that surround us.

As we look towards the future, we are filled with hope and determination. We recognize the immense challenges that lie ahead, including climate change, habitat loss, and social inequality. However, we firmly believe that our collective efforts can make a meaningful difference. By continuing to work together, supporting one another, and embracing innovation, we can create a world where humans and nature thrive in harmony.

# The Impact



This year, Aadhimalai's intervention in the villages has significantly increased, leading to a substantial rise in the number of work days for women. A total of 200 villages were involved in this initiative, benefiting a significant number of 2,800 farmers. Notably, the Annual General Meetings (AGMs) witnessed active participation from indigenous producers, reflecting their commitment and engagement.

In a demonstration of equitable practices, Aadhimalai shared 50% of the previous year's profits with the producers, ensuring a fair distribution of benefits. Furthermore, the company welcomed 200 new shareholders, further expanding its reach and inclusivity.



200 New Share Holders



2800 Farmers



200+ Villages



7 Regions

# The Procurement

The previous fiscal year witnessed a significant surge in the procurement of Wild Amla, Silk Cotton, and Shikakai. However, Honey and Beeswax experienced a substantial decline due to unpredictable rainfall patterns in the Nilgiris. On a positive note, the quality of Coffee has witnessed remarkable improvement in recent years, attracting a growing number of consumers. Moreover, this year saw a notable increase in the production of Robusta Cherry and Arabica Cherry. Notably, Robusta coffee was featured in Terra Madre, an event held in Turin, Italy. Managing coffee procurement during the Pongal festival posed some challenges due to the influx of numerous producers from various villages approaching us. Additionally, there has been an upswing in the quantity of spices such as Pepper and Turmeric. Towards the end of the fiscal year, the yield of Shikakai and Soapnut was exceptionally impressive, in stark contrast to the previous year.



# Empowering Indigenous Women: Aadhimalai Renovates Value Addition Center, Enhancing Bee-wax based Personal Care Production

In April, Aadhimalai undertook a renovation project at the value addition center located in Puthukad village. The purpose of this renovation was to enhance the working conditions for women belonging to indigenous communities who are involved in the value addition process of beeswax, specifically in the production of personal care items. The renovation project successfully expanded the production area, providing more space for the workers, and also improved the storage facilities at the center. These upgrades have significantly contributed to the overall efficiency and productivity of the center, benefiting both the indigenous women involved and the quality of the final products.



# Banagudi- A new Chapter



That sounds like a significant milestone for Aadhimalai! Acquiring land in Banagudi and establishing a production unit for the manufacturing of Beeswax Personal care products and Honey Bottling is a commendable achievement. By employing at least 12 women, Aadhimalai is not only creating job opportunities but also promoting gender inclusivity and empowerment.

The production unit will likely contribute to the local economy and support sustainable practices by utilizing natural resources such as beeswax and honey. Overall, this asset is likely to enhance Aadhimalai's operations, provide employment opportunities, and contribute positively to the community and environment. It's an exciting development for the organization and its mission.



# Visits and Trainings

Several events and training sessions related to millet value addition, quality control, governance, membership strengthening, and product development were conducted.



## **Two-day Workshop at Janastu, Karnataka (December 20,21, 2022)**

Kranti, Jestin, Kaliyappan, and Teny from Last Forest participated in a workshop held at Janastu. The workshop focused on discussions related to Participatory Guarantee System (PGS) certification and digitization of PGS data at the village level. As a follow-up, representatives from PGSOC visited Kadamban kombai, which is home to PGS certified farmers.

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## **Tamilnadu Millet Conclave at Nirmala Women's College, Coimbatore (January 7, 2023)**

The value addition team visited the conclave, where a wide variety of millet value-added products were displayed. Additionally, they witnessed the Guinness World Record for the largest display of millet-based food items.



## **Governance and Membership Strengthening Training at Keystone Foundation (January 9, 2023)**

This training session took place at the Keystone Foundation and was attended by directors, village representatives, and staff responsible for the production unit. The training aimed to enhance governance practices and strengthen membership within the organization. The Directors played a big role in the training as they were able to relate the issues in the management and in the communities. This gave insights of handling management and governance issues to the other staff and the village members.



## **Training at Pillur Production Unit by Kaliyappan (April 13, 2023)**

Kaliyappan conducted a training session for the women working in the production unit. The training focused on quality control and procurement measures for both non-timber forest products (NTFP) and farm produce.



## **Two-day Product Development Training at Pillur Production Centre (April 14,15,2023):**

Mr. Moorthy conducted a training session for women at the Pillur Production Centre. The training centered around lemon value addition, with a focus on creating final products such as dry lemon powder and lemon zest.



# APPI FUND

The generous funding support from APPI, facilitated by the Keystone Foundation, has been instrumental in initiating the construction of the Banagudi Production Center. Additionally, these funds were utilized effectively to establish a cashew processing unit at the Pillur Production Unit. Moreover, a portion of the funding was allocated towards the installation of a solar unit at the Banagudi Production Unit, enhancing the efficiency of value addition processes for a wide range of products.



## Training-SIRD

In March 2023, Jestin Pauls participated in a comprehensive three-day training program focused on the Prime Minister's Schemes in India. This training took place at the State Institute of Rural Development and was attended by the esteemed Tribal Department Director, Honorable Annathurai.



# Saint Gobain India Foundation (SGIF): Last Mile Success



The second phase of SGIF funding, facilitated by Keystone Foundation, served multiple purposes at Aadhimalai. Firstly, a training session on FPO Governance and Membership Strengthening was conducted, benefiting both the staff and the Board of Directors. Additionally, this training initiative resulted in the addition of 200 new shareholders to Aadhimalai.

(200 Shareholder Breakup)

Furthermore, the allocated funds were utilized for various initiatives. One aspect involved the development of new packaging designs and the creation of brochures for Aadhimalai. Another portion of the funds was allocated to conducting product and raw material testing. Moreover, the funding was utilized for organizing quality control training programs at the production units and for the training of procurement staff.

In summary, the second phase of SGIF funding, facilitated by Keystone Foundation, contributed to several key areas at Aadhimalai. It supported the enhancement of governance and membership, facilitated the expansion of shareholders, facilitated the development of new packaging designs and brochures, enabled product and raw material testing, and facilitated quality control training for production units and procurement staff.



# NABKISAN Finance Limited

Nabkisan has been an invaluable source of financial assistance for Aadhimalai, providing unwavering support throughout our journey. Over the course of our seven-year association with NABKISAN, their partnership has consistently empowered our operations. We were able to benefit from a working capital loan of 25 Lakhs, which was instrumental in facilitating our procurement, operations, and logistics activities.



## MPPI-Mountain People Partnership Initiative

Aadhimalai has proudly joined the ranks of the Mountain Partnership Products Initiative (MPPI), a voluntary alliance under the United Nations that is committed to enhancing the well-being of mountain communities and safeguarding mountain ecosystems worldwide. Notably, the products "Pepper" and "Coffee" from Aadhimalai have been included in the prestigious MPPI list.

As part of this collaboration, MPPI will be providing valuable support in creating product labels that showcase essential information about the origin and unique attributes of these products. This initiative aims to promote sustainable practices and raise awareness among consumers about the significance of supporting mountain-based livelihoods and environmental preservation.

By being a part of MPPI, Aadhimalai takes a significant stride towards contributing to the global effort in creating a more equitable and sustainable future for mountain communities and their environments. The partnership will undoubtedly foster positive impacts and further the mission of promoting responsible consumption and production practices.





## **Participation of Nilgiris Coffee Coalition in Terra Madre: Showcasing PGS Certified Wild Robusta Coffee:**

This year, a team of four members visited Turin, Italy to participate in the Terra Madre celebrations. The team consisted of Miller Ashok from Last Forest Enterprises, Jestin Pauls and Sivakumar from Aadhimalai, and Shiny from Keystone Foundation, representing the Nilgiris Coffee Coalition. During their visit, the team actively engaged in various events hosted by Terra Madre.

One noteworthy highlight of the team's involvement was the showcasing of a consignment of PGS certified Wild Robusta Coffee at the event. This coffee received exceptional feedback and garnered significant attention from attendees.



## STRENGTHENING COMMUNITY BONDS: A SUCCESSFUL AGM 2021- 2022 FOSTERS COLLABORATION AND RESOLVES PROCUREMENT CHALLENGES

**74K** ARACODE

**9.6K** COONOR

**71K** KONAVAKARAI

**53K** PILLUR

**16K** SIGUR

**2.25 LAKHS** TOTAL  
INCENTIVES

The Annual General Meeting for the fiscal year 2021-2022 took place in September with significant participation from producers. The meetings were held in four locations: Bangalapadi, Puthucad, Pillur, and Konavakkarai. Various topics were discussed during the meeting, including procurement and operations. Community members expressed a specific request to enhance procurement efforts in Aadhimalai.

The meeting addressed challenges faced by producers and procurement staff concerning the Forest Department. It was collectively decided that the community would assist Aadhimalai in transporting the produce from the village to the Head Office or production centers. The Management presented the accounts to the communities, and details regarding incentives were thoroughly discussed. Finally, at the conclusion of the meeting, the incentives were distributed to the producers.

# The Market

Aadhimalai has faced hindrances on the sales side due to the volatile nature of the products it deals with. However, Coffee sales were exceptional last year, generating high profits. This success can be attributed to significant improvements in the quality of coffee processing, which has gained better traction among customers.

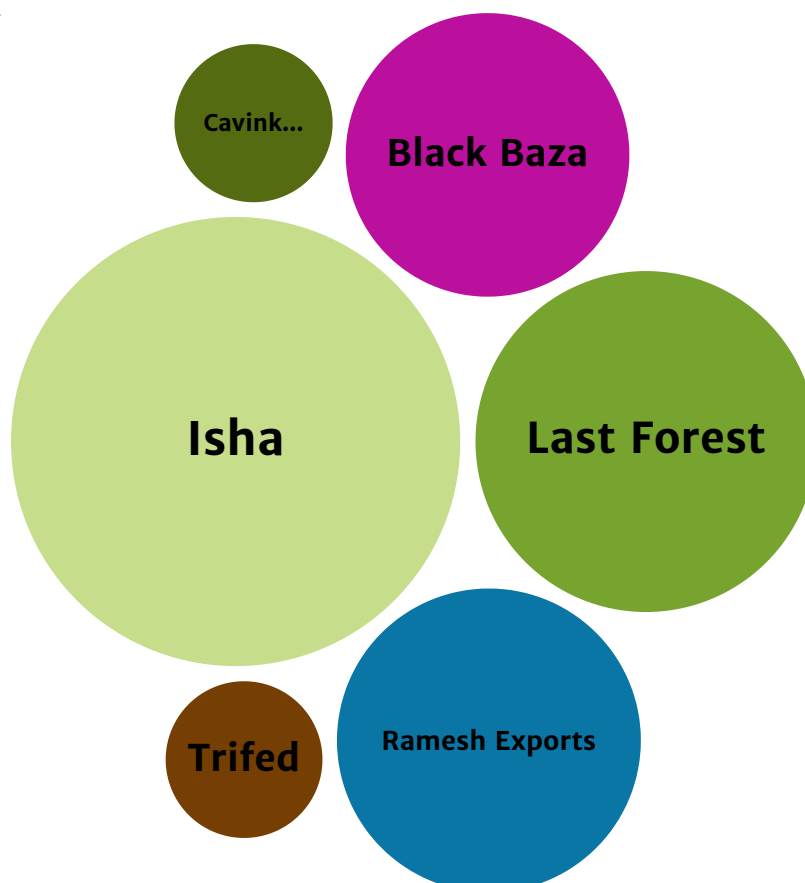
The spice market experienced significant fluctuations in supply and demand, particularly due to the impact of rainfall. Despite this, Spiced Honey remains a consistently strong sales product in the market.

While personal care products had an average sale through Last Forest Enterprises, they are expected to gain momentum in the future. It's worth noting that the Coffee consignment sent to Terra Madre, Italy was facilitated through Last Forest Enterprises.

Trifed, one of our major customers, has gradually increased their intake from Aadhimalai. Additionally, Ramesh Exports has consistently provided us with strong sales in the coffee sector.

Millet cultivation in the Nilgiris has declined, resulting in unsatisfactory sales for this product. However, Silk Cotton has performed adequately, ensuring a steady cash flow.

However there was a bit of challenge in the marketing side as many of our retailers have disappeared after the pandemic and there was a huge dip in sales which made it difficult to liquidate the stock. This in turn had a big impact on the cash flow.



# TOP Customers



Honey has emerged as the best-selling product, accompanied by overwhelmingly positive feedback concerning its exceptional taste and premium quality.

The team's performance in both production and order fulfillment has been exceptional. Notably, they efficiently handled a substantial order from the Forest Department, which came with a tight deadline. Despite the challenging timeline, the combined efforts of the Puthucad and Bangalapadi teams, along with the Head Office Team, ensured the order was completed within the stipulated time. The order was successfully delivered to Chennai on schedule, earning praise from the Forest Officials.

Consistently, the team plays a pivotal role in ensuring timely order fulfillment, contributing significantly to customer satisfaction as their orders consistently reach them on time.

# Finance Report

## Statement of Profit and Loss for the year ended 31.03.2023

Particulars	31.03.2023	31.03.2022
I. Revenue from Operations	1,14,14,765	1,55,85,100
II. Other Income	4,763	9,87,259
III. Total Revenue (I + II)	1,14,19,528	1,65,72,359
<b>IV. Expenses:</b>		
(a) Cost of Material Consumed	56,24,096	85,00,206
(b) Employee Benefit Expenses	36,84,964	43,64,864
(c) Finance Costs	1,35,807	1,00,419
(d) Depreciation and Amortization Expense	3,84,603	3,27,340
(e) Other Expenses	15,49,854	24,81,993
Total Expenses	1,13,79,326	1,57,73,822
<b>V. Profit before Exceptional and Extraordinary items and Tax (III - IV)</b>	40,202	79,8,537
<b>VI. Exceptional Items</b>		
<b>VII. Profit before Extraordinary Items and Tax (V - VI)</b>	40,202	7,98,537
<b>VIII. Extraordinary Items</b>		
<b>IX. Profit Before Tax (VII - VIII)</b>	40,202	7,98,537
<b>X. Tax Expense:</b>		
(1) Current Tax	6,272	1,24,572
(2) Deferred Tax	11,934	2,78,590
<b>XI. Profit / (Loss) for the period from Continuing Operations (IX - X)</b>	28,268	6,10,451
<b>XII. Profit / (Loss) from Discontinuing Operations</b>	0	0
<b>XIII. Tax Expense of Discontinuing Operations</b>	0	0
<b>XIV. Profit/(Loss) from Discontinuing Operations (XII - XIII)</b>	0	0
<b>XV. Profit/(Loss) for the year (XI + XIV)</b>	28,268	6,10,451

\*un audited statement

# ADVISORS



**Snehlatha Nath**  
Advisor



**Robert Leo**  
Advisor



**Mallikarjuna Moorthy**  
Advisor

# THE BOARD



**Janaki Amma**  
Director



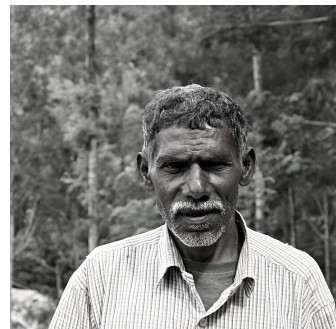
**Lingan**  
Director



**Sumathi**  
Director



**Nagaraj**  
Director



**Palani**  
Director

# OUR TEAM



**Jestin Pauls P**  
Chief Executive Officer



**Sivakumar C**  
Chief Finance Officer



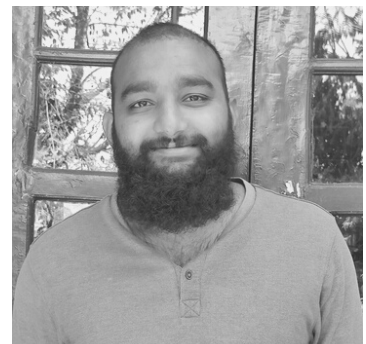
**Kaliyappan P**  
Procurement Manager



**Esther P**  
Asst Accounts



**Sasirekha**  
Packing In -Charge



**Kranthi Kumar Bannala**  
Intern



**Murugesan**  
Asst Procurement Manager



**Nandhakumar**  
Project Manager



**Saraswathi**  
Packing In-Charge

# The Production People



## Puthucad

Amidst the slopes of Coonoor, a bustling hive of activity unfolds. Here, the transformation of beeswax into exquisite soaps and nourishing lip balms takes center stage. In this vibrant atmosphere, skilled women deftly craft these products with an air of quick precision, their hands moving with efficiency and expertise.

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## Bangalapadi

Nestled in Aracode's embrace, a valley hub thrives. Millets dance into sustenance, honey metamorphoses, and beeswax finds balm. Candles whisper secrets in golden flames, amla transcends into candy, and shikakai weaves hair tales.

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## Pillur

Pillur has gained renown for its exquisite handloomed handicrafts and pickles. Furthermore, Pillur plays a pivotal role in the extensive procurement of non-timber forest products (NTFP), pepper, and coffee from the surrounding villages.

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## Banagudi

Nestled atop the picturesque Kotagiri hills amidst the enchanting Banagudi Shola sacred groves, our unit boasts a skilled team proficient in crafting Beeswax Wraps and Soaps. Renowned for our exquisite Millet mix Products, they are committed to delivering quality and sustainability.



# Thank you

to all our Producers and Customers!

## Our Auditors

Subramani Santhanaraman, Coimbatore  
John Mathew, Udhagamandalam

## Social Media

<https://www.facebook.com/aadhimalai>

[https://www.instagram.com/aadhimalai\\_appcl/](https://www.instagram.com/aadhimalai_appcl/)



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