

ANNUAL REPORT



AADHIMALAI 2023-2024



FOREWORD

It's been a spectacular year for Aadhimalai where there were quite a lot of achievements as a Farmer Producer Company. It is also our 10th year anniversary. Founded in 2013 with the unwavering support of the Keystone Foundation, Aadhimalai has grown into a beacon of sustainable development and community empowerment within the Nilgiris Biosphere Reserve. Over the past decade, our journey has been one of dedication, resilience, and profound impact. We have transformed the lives of our tribal communities by providing sustainable livelihood opportunities through the procurement, processing, and marketing of forest and agricultural produce. Our commitment to fair trade practices and environmental conservation has not only preserved the traditional ways of life but also ensured a steady source of income for our producers.

The Financial Year started with the opening of the Banagudi Production Unit which was like one of our dreams come true. There was a cashew unit set up in Pillur which will start functioning in the upcoming season. The harvest was not too good starting from spices, millets and even coffee. In fact, the coffee season showed no mercy with respect to quantity however the rates for coffee had skyrocketed leaving a good profit for the farmers whoever had coffee. The Amla and Shikakai as well saw a huge downfall in quantity which will force us to stop the bulk sales in the upcoming financial year. There were a couple of capacity building trainings for the women on value addition. An exposure visit to Sitilingi in Feb gave great insights to the team on governance. We were also able to get our Cosmetics License for our Cosmetics Production which will possibly leverage our cosmetics sales in the years to come.

We had an opportunity to participate at the World Food Forum that happened at Rome, Italy. We were also a part of the Slow Food at Taiwan. Participating in BIOFACH at Germany also gave us new perceptions.

A big shout out to the team for their efforts. I would also like to extend my thanks on behalf of Aadhimalai to our esteemed customers, Keystone Foundation who have been like a guiding light for the past 10 years. Also, to our indigenous producers who have been the pillars of Aadhimalai. Big thanks to Last Forest Enterprises for the support in Marketing. Nabkisan has been a great support for us for a long time now.

Together, let us continue to shift the power to the producers and create a brighter, sustainable future for all.



JESTIN PAULS



COMPANY OVERVIEW

VISION

Securing sustainable livelihood and sound environment to the tribal communities of NBR

MISSION

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





Honoring Janaki Amma: A Pillar of the Kurumba Community and Aadhimalai's Guiding Light

Janaki Amma, a cherished Director of Aadhimalai Pazhangudiyinar Producer Company Ltd, passed away on 20-08-2024, leaving behind a profound legacy. As one of the founding Board Directors of Aadhimalai, she was instrumental in shaping the company since its inception in 2013. Her leadership was not just confined to the office but extended deeply into the field, where she was a guiding light for many.

Janaki Amma was a senior member of the Kurumba community in the Nilgiris, revered for her extensive knowledge and natural healing abilities. Her wisdom and experience were invaluable to both Aadhimalai and the broader community, where she played a pivotal role in promoting sustainable livelihoods through traditional practices. She was not only a leader but also a nurturer, deeply committed to the welfare of her community and the conservation of their cultural heritage.

Her passing is a significant loss to Aadhimalai, Keystone Foundation, and the entire Nilgiri biosphere community. She leaves behind a legacy of dedication, resilience, and a deep connection to the land and its people, which will continue to inspire those who follow in her footsteps.

GENESIS



The indigenous communities of the Nilgiris Biosphere primarily depend on Non-Timber Forest Products (NTFP) collection and farming for their livelihood. To address the issues of fair pricing, market stability, and continuous marketing of these products, it was recognized that an enterprise approach was needed. Such an approach would integrate business management principles with the needs of marginalized indigenous communities, ensuring quality, eco-friendliness, and fair pricing while eliminating exploitative middlemen.

Keystone Foundation took the initial step by setting up resource centers at the village level to perform value addition on the collected NTFPs. As these operations strengthened, it became evident that consolidating these activities under a single entity was necessary. Moreover, it was crucial to ensure that this entity was controlled by the tribal community itself.

A Technical Advisory Committee (TAC) meeting was held with community members, during which various options were proposed. It was ultimately decided to amalgamate the centers and register them as a Farmer Producer Organization (FPO). The community members elected a Board of Directors, and the initiative began with 15 members.

Today, Aadhimalai has grown significantly, boasting 1809 shareholders.

AADHIMALAI TIMELINE

2013

Inception of Aadhimalai as a producer Company

2019

Inception of Thumbithakadu

2021

P2B & the Equator Prize from UNDP

2021

Bangalapadi Renovation

2022

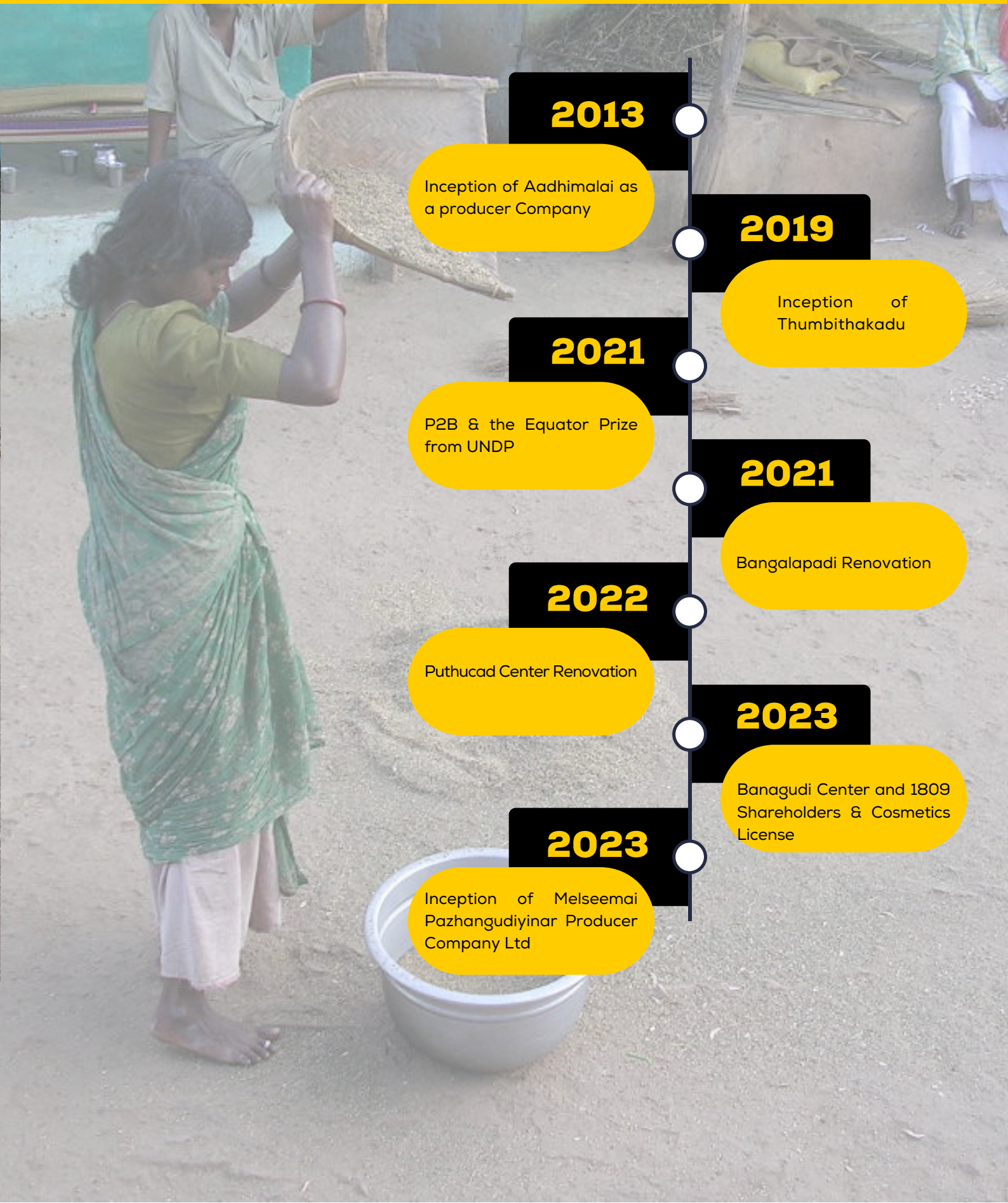
Puthucad Center Renovation

2023

Banagudi Center and 1809 Shareholders & Cosmetics License

2023

Inception of Melseemai Pazhangudiyinar Producer Company Ltd



THE IMPACT: EMPOWERING COMMUNITIES, SUSTAINING GROWTH

Aadhimalai promotes eco-friendly practices and supports fair trade, making a substantial difference in the lives of the indigenous people and contributing to sustainable development in the region.

Community Engagement



2200

Active Non Members



7

Directors



175+

Community Villages

Shareholders - 1809 Members

Gender



934



875

Regionwise Breakup

Aracode 471

Konnavakarai 223

Coonoor 282

Pillur 182

Hasanur 649

Sigur 2

Social Commitment

1 Opportunities for Economically Marginalised Producers



2 Transparency & Accountability



3 Fair Trade Practices



4 Fair Payment



5 No Child Labour, No Forced Labour



6 No Discrimination, Gender Equity, Freedom of Association



7 Good Working Conditions



8 Capacity Building



9 Promote Fair Trade



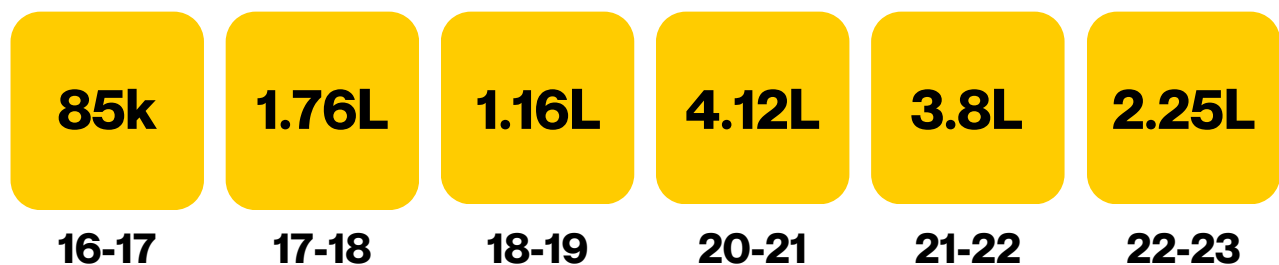
10 Climate Action and Protection of the Environment



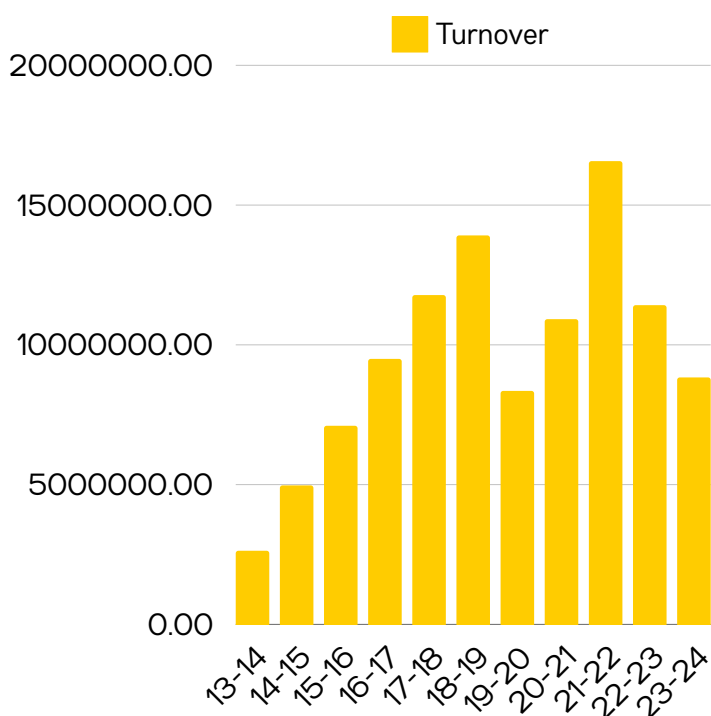
TURNOVER & PROFIT SHARING

Profits are equitably shared among member producers based on their contributions, with additional funds reinvested into the company for community welfare and development, ensuring the economic empowerment and sustainability of the indigenous communities it represents.

Profit Shared



Turnover

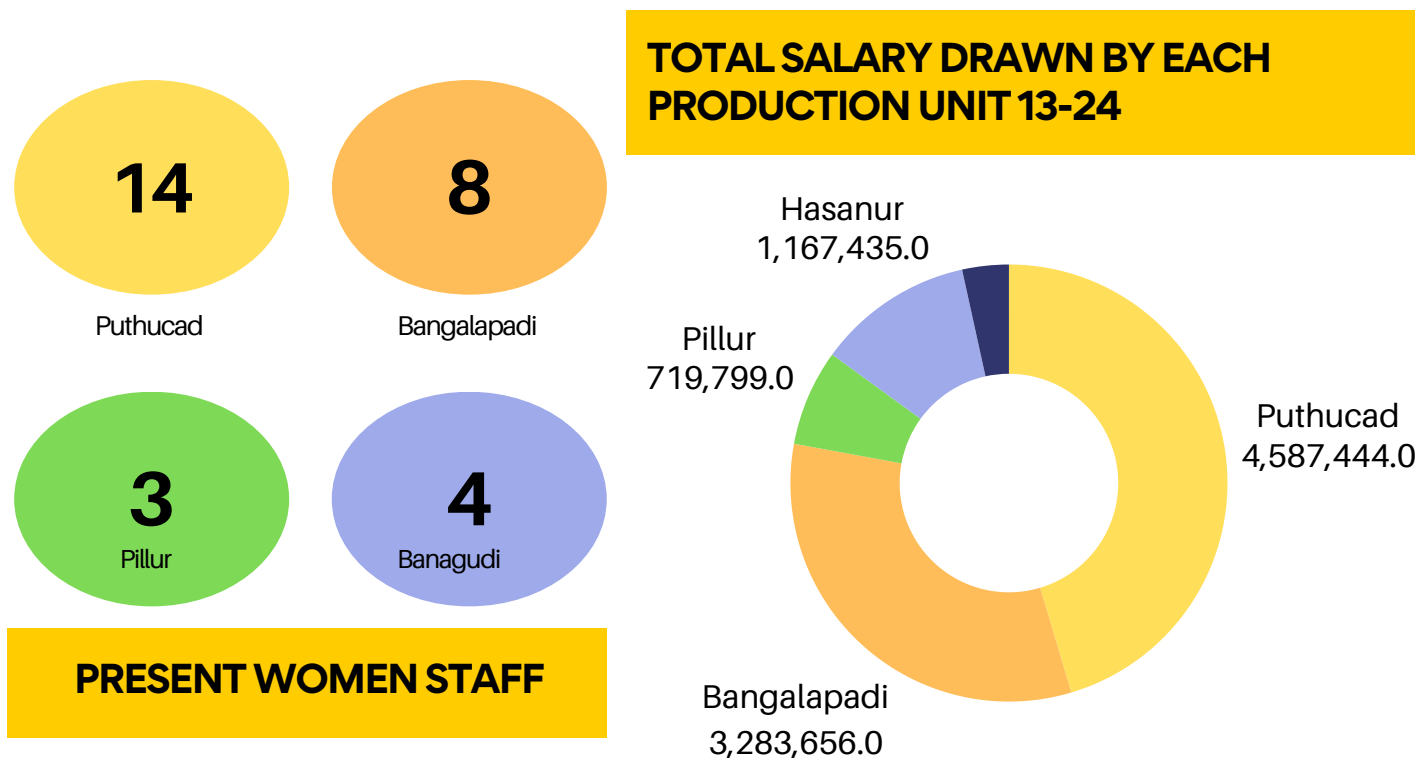
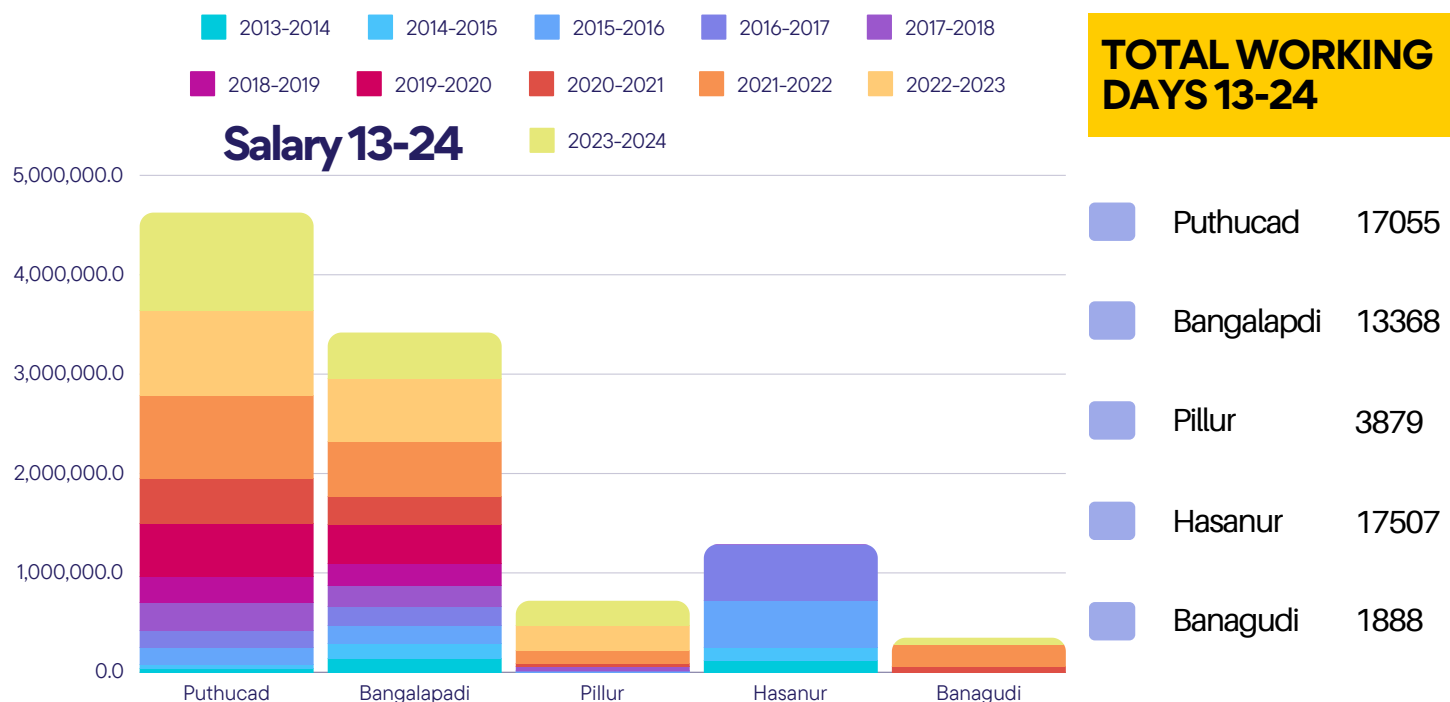


Profit Distribution in Aracode

Labour Days

Aadhimalai stands out for its commitment to women’s employment, with over 90% of its workforce consisting of indigenous women from the local communities.

These women are involved in every stage of the value chain, from harvesting and processing to packaging and marketing, ensuring they gain diverse skills and financial independence. The company's success has provided them with a stable source of income, enhancing their social and economic status within their communities. Furthermore, by preserving and promoting traditional knowledge and practices, Aadhimalai not only empowers women but also contributes to the conservation of the region's rich biodiversity.





MELSEEMAI-THE BEGINING

Thumbithakadu society which was opened a couple of years before was quite successful in their operations. It was time to scale up and a new FPO was planned to start and the indigenous community members came together and Melseemai Pazhangudiyinar Farmer Producer Company Ltd was started at the Thumbithakad Campus in Hasanur. The Company was formed with the help of the combined efforts of Keystone Foundation and Aadhimalai. It was started with an initial membership of 10 members and is in process of increasing it to 300 members in the upcoming financial year. The new producer company is completely managed by the community people and the company is expected to increase market opportunities for the local producers and also improve the employment of the community women. The company is specialized in Honey, Millets and other NTFP's like wild amla, kadukkai, thandrikkai etc., There are three Honey Huts at Bannari, Sathy and Thimbam which are retail outlets selling exclusively Melseemai Products and are on the Sathy- Bangalore Highway.





INAUGURATING BANAGUDI



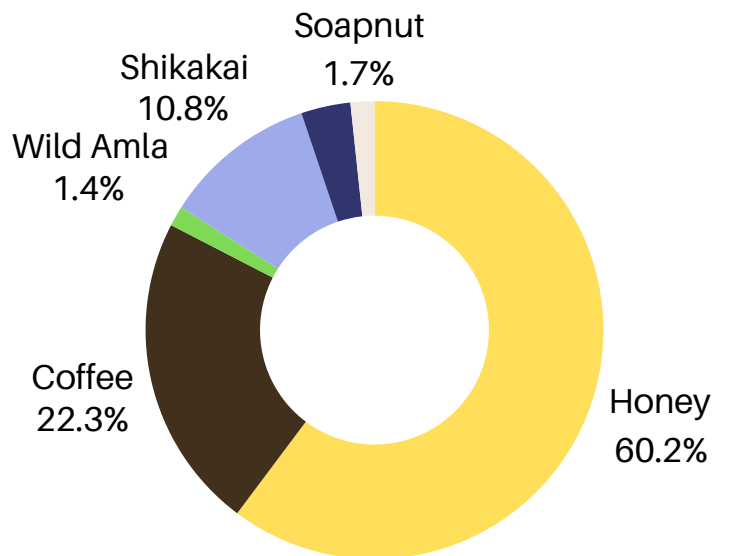
As promised last year we opened our production unit at Banagudi which is perched up on the hills which has a Kurumba settlement. The village is also home to one of the sacred groves in the Nilgiris. The opening ceremony was graced by the Honorable Director. Mr. Annadurai, Tribal Welfare Department, Tamilnadu. The opening was on April 3rd 2023 commemorating our 10th year anniversary. The Production Unit aims to give employment the women from the village on mainly Beeswax Value addition. The unit is expected to improve our beeswax cosmetics production in the years to come.

FROM THE FIELD

The year started with the procurement of soapnut, however shikakai failed in quantity. The spices like Pepper and Nutmeg saw better yield compared to the previous year. Turmeric on the other hand has been spectacular this year as many producers have opted to cultivate turmeric in their lands. Its also PGS certified. Silk Cotton yield was high but the price went on the lower side which made the farmers unhappy. There was very low market demand for silk cotton.



PROCUREMENT CHART 23-24



Wild Amla and Jamun Fruits did not do well and we hope the next season will bring a better harvest. Honey yield was moderate just like the previous year. Coffee was a chaotic season this year as the prices soared like never before especially Robusta Coffee. We all know the growing demand for Robusta coffee as it has been used in different blends especially in specialty coffee, however there are clever farmers who had stocked up robusta coffee and have got the best rates in the market which has proved to be a bumper.



VISITS AND TRAINING



Kranti and Murugesh had participated in the Aadi Mahotsav that took place in Coimbatore. It was conducted by Trifed.



Aadhimalai participated in Escalera, a women entrepreneurs' expo organized by the Kerala State Women's Development Corporation (KSWDC) in Kozhikode, Kerala. Esther and Sasirekha represented Aadhimalai at the event, marking their first experience at such an expo



An organization called the Ami Amichya Arogya Sathi from Gadchiroli had sent around 20 people who are leaders and elders from the villages to learn about the Aadhimalai model and about enterprising.



A millet value addition training was attended by women from Aracode and Konavakkarai at Ramasamy Charitable Trust, Coimbatore. The Training gave a glimpse of Millet Cookies and sweet varieties made of millets.



Gokul from Keystone and Jestin had gone to Gadchiroli, Maharastra to train the community people on social enterprise and sustainable livelihoods. The training took place for 3 days and was organized by an NGO, Shrishti.



A team from Manuvikasa had visited Aadhimalai Production Centers to learn about value addition and enterprising.

PILLUR - CASHEW FACILITY

During the Last AGM a promise was made that Aadhimalai would collect the Cashew Nut Harvest from the producers from the Pillur region. However, there was no Cashew processing facility in the vicinity. In fact, there is no cashew processing facility in the entire district. So with the help of Keystone Foundation APPI Project Aadhimalai installed a Cashew Processing Facility at the Production Unit. The upcoming harvest is expected to be purchased by Aadhimalai. This will also improve the employment at Pillur Center.



VDVK- VAN DHAN VIKAS KENDRA



A VDVK group was created at Banagudi based on the PM JANMAN for processing the NTFP produce. There are around 200 members in the group and RS 10 Lakhs has been sanctioned to the group under the scheme in January. The sanction certificate was received by Mr. Kaliappan from Honourable Minister of State in the Ministry of Fisheries, Animal Husbandry and Dairying and Ministry of Information and Broadcasting Mr. L. Murugan. However this project is yet to start due to delays from the government.

SLOW FOOD – TERRA MADRE, TAIWAN



Jestin Pauls from Aadhimalai and Jeyanthi from Keystone Foundation had participated in Terra Madre at Hualien, Taiwan. Jeyanthi along with the Chefs from Taiwan took part in the Traditional Food Demonstration where she cooked Multi Millet Biryani and Puffed Amaranthus for almost 200 people. Jestin participated in a discussion on PGS certification among indigenous producers. The event also had a coffee tasting workshop and an exposure visit to a local Fair Trade certified Organic Jam producing company.

BIOFACH 2023-2024

Aadhimalai was selected by GIZ to participate at BIOFACH 23-24 in Nuremberg, Germany. GIZ is a service provider for int. cooperation for sustainable development & international educational work, is dedicated worldwide to a future worth living. The First phase of selection had a visit from GIZ team to our production unit and to our Producer Farms. Jestin Pauls represented Aadhimalai at BIOFACH, world's leading trade fair for Organic Food and Cosmetics. The Fair took place at Nuremberg for 7 days where there was also a workshop on certification and compliances for export of organic produce to European and other international markets.

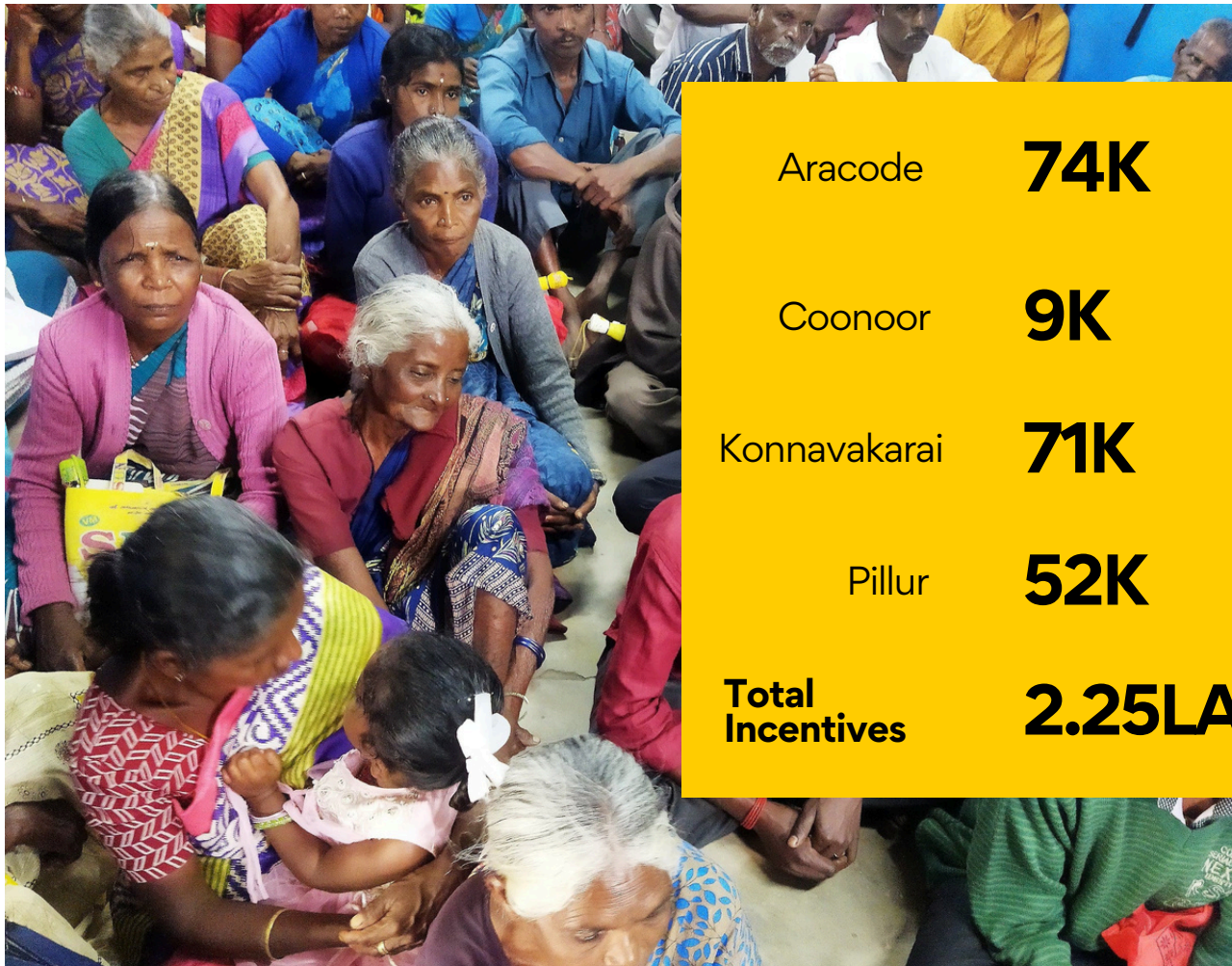


EXPOSURE VISIT-SITILINGI



An exposure visit to Sitilingi Valley FPO was organized by Keystone Foundation in which all of the staff along with the field staff from Keystone had participated. The visit was mainly to learn the governance and management skills from Sitilingi.

AADHIMALAI AGM: COMMUNITY ENGAGEMENT AND STRATEGIC UPDATES



Aracode	74K
Coonoor	9K
Konnavakarai	71K
Pillur	52K
Total Incentives	2.25LAK

The Annual General Meeting of Aadhimalai unlike the other firms is quite different as it happens in different phases considering the logistic challenges for the community shareholders. This year the AGM took place in Bangalapadi, Pillur, Puthucad and Semmanarai. Raman, a notable farmer from Arayoor Konavakarai region who received substantial incentives, emphasized his positive experience working closely with Kaliyappan. He encouraged fellow farmers to exclusively sell their produce to Aadhimalai for similar benefits. The Pillur meeting was graced by the Area Police Inspector Mr. Ponnusamy who expressed admiration for Aadhimalai's operational ethos. Technical Coordinator Sri Ram discussed plans to promote millet farming by providing seeds to farmers. He encouraged farmers to channel all NTFP through APPCL for sustainable management. P. Chandran emphasized the responsible utilization of forest rights for positive livelihood changes and sustainable NTFP collection practices. Discussions on the challenges on collection and aggregation of the NTFP from the villages were discussed in the meeting. There were discussions on electing an additional director for Pillur region. It was also decided that Aadhimalai will start procuring cashew from Pillur region.

The Market

This year has been a challenging one for Aadhimalai, characterized by fluctuating market conditions and varying performances across our product lines. Despite these hurdles, we have made notable strides and identified key areas for future growth.

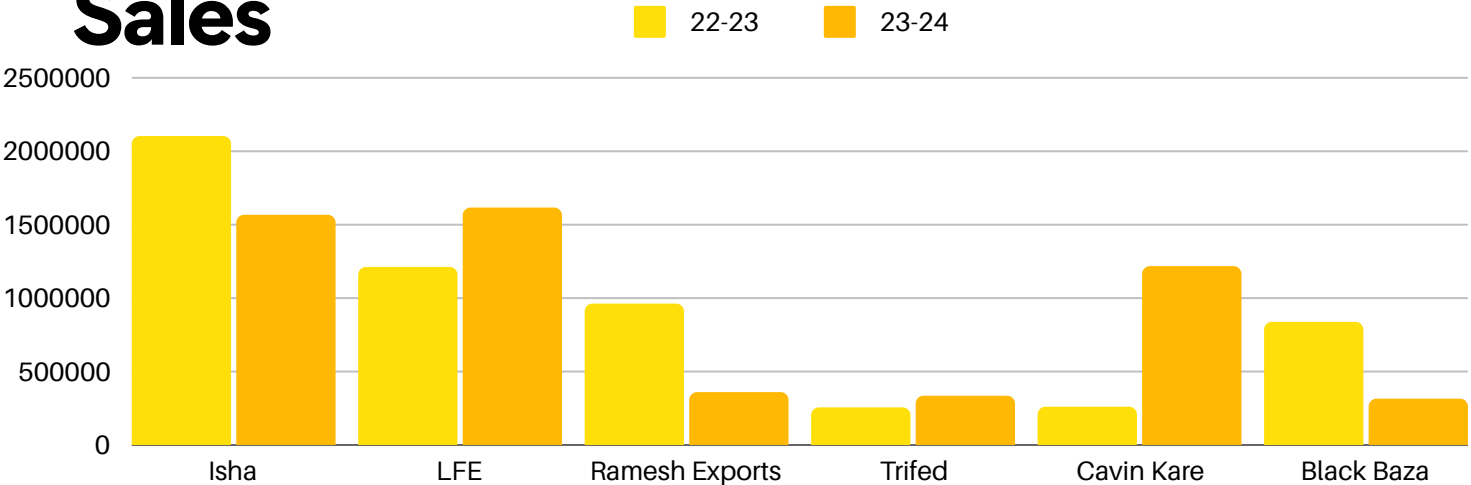
Aadhimalai commenced the year on a high note with the sale of nearly 12 tons of Shikakai, complemented by a substantial quantity of soapnut to Cavinkare. These initial sales were strong, but the momentum did not sustain throughout the year.

A significant portion of our honey and spice sales were driven by partnerships with Isha Life, where Spiced Honey, in particular, remained a robust performer despite market volatility. The spice market experienced considerable fluctuations in supply and demand, largely due to unpredictable rainfall patterns affecting production.

The coffee sector faced setbacks this year, with lower yields limiting our ability to meet buyer demands. However, an unexpected surge in the price of Robusta Coffee, which reached parity with Arabica Parchment prices, provided a notable silver lining in an otherwise difficult year for coffee.

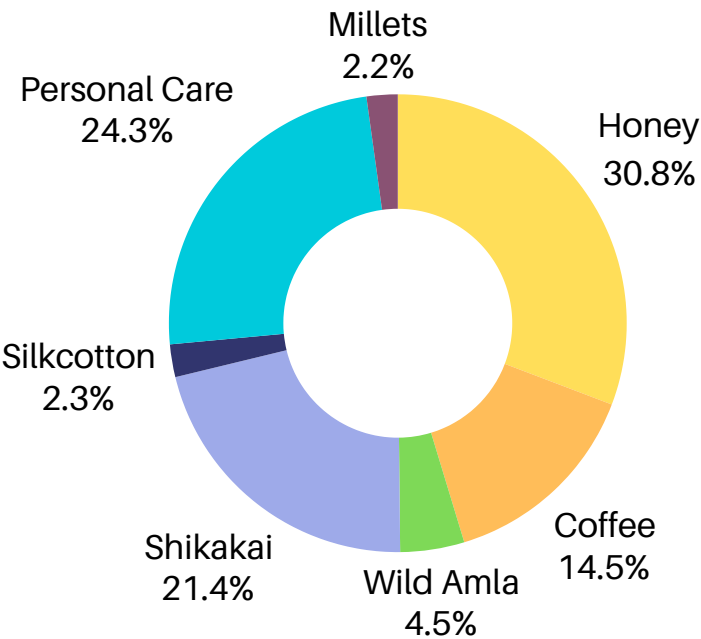
Our personal care product line saw increasing traction, especially through Last Forest Enterprises. The recent acquisition of a Cosmetic License is anticipated to significantly boost demand, enhancing our market presence domestically and opening new export opportunities for Last Forest.

Sales



Millet cultivation in the Nilgiris saw a decline, resulting in unsatisfactory sales. The silk cotton market also suffered, with prices plummeting across the state, contributing to a challenging year for this segment.

Despite these challenges, our relationship with major customers like Trifed has strengthened, with Trifed steadily increasing their intake. Additionally, Ramesh Exports and Black Baza have consistently provided strong sales in the coffee sector.



Agents/Stores



Processors

Finance Report

Statement of Profit and Loss for the year ended 31.03.2024

Particulars	31.03.2023	31.03.2024
I. Revenue from Operations	1,14,14,765	88,54,203
II. Other Income	4,763	28,092
III. Total Revenue (I + II)	1,14,19,528	88,82,294
IV. Expenses:		
(a) Cost of Material Consumed	56,24,096	31,50,971
(b) Employee Benefit Expenses	36,84,964	40,26,040
(c) Finance Costs	1,35,807	1,46,859
(d) Depreciation and Amortization Expense	3,84,603	2,81,017
(e) Other Expenses	15,49,854	13,98,074
Total Expenses	1,13,79,326	90,02,961
V. Profit before Exceptional and Extraordinary items and Tax (III - IV)	40,202	(1,20,666)
VI. Exceptional Items		
VII. Profit before Extraordinary Items and Tax (V - VI)	40,202	(1,20,666)
VIII. Extraordinary Items		
IX. Profit Before Tax (VII - VIII)	40,202	(1,20,666)
X. Tax Expense:		
(1) Current Tax	6,272	1,24,572
(2) Deferred Tax	52,666	(1,58,601)
XI. Profit / (Loss) for the period from Continuing Operations (IX - X)	(12,464)	37,935
XII. Profit / (Loss) from Discontinuing Operations	0	0
XIII. Tax Expense of Discontinuing Operations	0	0
XIV. Profit/(Loss) from Discontinuing Operations (XII - XIII)	0	0
XV. Profit/(Loss) for the year (XI + XIV)	(12,464)	37,935

Future Outlook and Goals

“

The consistently strong sales of Spiced Honey and the anticipated growth in personal care products, fuelled by the new Cosmetic License, provide a solid foundation for future growth. Moreover, the increasing intake from Trifed and robust sales from partners like Ramesh Exports and Black Baza offer a degree of stability.

Aadhimalai will look to setup a retail outlet of its own. Procurement will be strengthened through more village visits.

For the Governance, Aadhimalai will make changes to enable more active Directors and decision makers.

Aadhimalai will invest in a person for marketing and sales.

Banana Fibre Mats will be revamped through a new handloom facility.

Directors



Janaki Amma



Mari Palani



Balan Nagaraj



**Vellingiri
Sumathi**



**Ponnann
Lingan**



Selvi M



Malika Suresh

Advisors



Snehlata Nath



Robert Leo



Mallikarjunamoorthy

Team



Sivakumar



Jestin Pauls



Kaliyappan

Team



Sasirekha



Esther



Nandhakumar



**Kranthi Kumar
Banala**



Murugesh



Rangasamy

Production Units



Puthucad

Located between Barliyar and Coonoor, Puthucad is a Kurumba settlement. The unit is home to around 12 women who specialize in the value addition of beeswax personal care products. In addition to their production work, these women actively engage in training small groups across the country. The team is led by Sumithra.



Bangalapadi

Bangalapadi is one of the largest units of Aadhimalai and serves as a hub for processing millets and honey bottling. The unit also handles the ginning of silk cotton, which is then converted into mattresses and pillows. Additionally, hair care products like Shikakai powder are produced here. The unit is overseen by Kaliappan.

Production Units



Pillur

Located in Coimbatore, Pillur is the production site for all of Aadhimalai's pickles. The unit is also equipped with a cashew processing facility and supports handloom activities, including the production of banana fiber mats and broom grass mats. The team here is led by Kaliasamma.



Banagudi

Banagudi is a Kurumba settlement situated in Kotagiri. This unit specializes in the production of beeswax soaps, cloth bags, and millet mix products. The unit was inaugurated in April 2023.



We would like to express our deepest gratitude to all those who contributed to our successes over the last 10 years. To our dedicated team members, partners, and our producers, your hard work, collaboration, and unwavering commitment have been instrumental in achieving our goals.

We also extend our sincere thanks to our clients and customers for their trust and support, which drives us to continually improve and innovate. Your partnership is the foundation of our growth and success.

Finally, we are grateful to Keystone Foundation, our shareholders and board members for their guidance and belief in our vision. Your support has been pivotal in shaping our journey and helping us navigate through challenges.

As we look forward to the year ahead, we are excited about the possibilities that lie before us and are confident that, together, we will continue to achieve great things.

THANK YOU!!

CONTACT US

**Phone/**

+91 9489358422

Email/

contact@aadhimalai.in

Website/

www.aadhimalai.in

Address/

41/111E, Groves Hill Road,
Kotagiri, The Nilgiris 643217

Social Media/

[https://www.facebook.com/
aadhimalai](https://www.facebook.com/aadhimalai)

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