

ROAD TO TRANSFORMATION

ANNUAL REPORT
2018-19





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OUR MISSION

'PIONEERING SUSTAINABLE LIVING CHOICES BY
CONNECTING COMMUNITIES AND MARKETS'

LETTER FROM THE FOUNDER



“However, let us get to the number of good things that enveloped Last Forest and its team, during the year. Last Forest got selected by Stanford University for its Seed Transformation Programme – we were part of the second cohort and boy oh boy, we were taken through a hair dryer treatment like never before”.

Closing in on 9 years – it’s been an exciting journey and it just seems to get better. The year gone by was a bit of a tester – it rocked us back and forth quite a few times and at times, it did feel a bit exhausting. Any which way you decided to perceive it – some called it a Bloodbath while others considered it Blue Skies! Your choice! Last year left us reeling in many senses but it was also a reality check and a hard knock to take stock on how we took certain decisions and the cascading impact it had on the team, its morale and importantly, on the bottom line.

The year had its highs and lows – an immense learning experience for the young team. The one thing that stands out during the past year has been the resilience of the team – in all this, they kept looking ahead and channelized all their energies to achieving the impossible – kudos to them. They continued to focus on their roles and back stopped each other in times of need.

Let’s get finished on the downers before we hit the sweet spots – early in the year, we decided to go in for a software that would give us a connectivity like never seen before. We would have data on our finger tips, accessible in any corner of the world, etc etc – I think you get the point. Well, things did not pan out that way and we spent the better part of the first half of the year (actually till Oct 2018), trying to get the software up and running – no sir, it just refused to listen and finally, we had to put it to sleep... you better not raise it as a casual evening conversation with any of the team. That would certainly end all good relationships that you would have built till then. Another disaster that struck us at the end of the year was a con job on us by a dealer. We nearly lost the shirt on our backs but quick thinking and a lot of support from Keystone and the cops! (does that remind you of something) enabled us to recover a large portion of our hard earned money. However, it was something we could have done without especially, when the year had not panned out well.

However, let us get to the number of good things that enveloped Last Forest and its team, during the year. Last Forest got selected by Stanford University for its Seed Transformation Programme – we were part of the second cohort and boy oh boy, we were taken through a hair dryer treatment like never before. It pushed the team to evaluate itself very critically – your mission, your business verticals, the value proposition, the competition, etc etc. If you’ve been following our social media, you will see the changes as we focus on our core business and shed some unnecessary baggage. The awesomeness of it was that the entire senior team management went

through the learnings and have built and upped their stakes in what they believe in. We believe that this will be a new beginning.

Sometimes you have interns who make a dramatic impact in the time that they spend with the organization. Our Swedish interns set up our website in a flash and there we were, suddenly sorted and able to sell online, without a hassle. The web platform, Shopify, has reduced our sleepless nights and we hope that combined with our presence on Amazon India, will link us to a larger community of sensitive customers.

A key decision which has helped redefine and sharpen focus has been re-assignment of roles and responsibilities. A team full of young people and you realize that you want to be involved in everything – and suddenly you realize that actually, you are not very efficient anymore. The change has allowed the senior team to focus on what is their primary role and where they would like to make a difference. It also meant that people had to step aside from what they were familiar with – however, it also meant that they were doing what they enjoyed doing and had a passion for. It makes a difference and we can feel it.

While talking about people, a noteworthy achievement has been the stability in the organization. There is always a revolving door but the core of the team has remained strong and stable. Amen!

The restaurant continues to chart new territories – what can one say when it has received a Certificate of Excellence, for the third year running, from Trip Advisor. No accolade could be more deserving for the team, for the effort they put in.

As we move into a new financial year, we ask for your support in this journey that we have begun together – a journey that constantly beckons and enthrals us all.

Mathew John
Managing Director

EMPOWERING COMMUNITIES

The outset of the year 2006 saw Vanaja, a local resident from the village of Banglapadigai involved with the daily functions of the production centre that has been set up there. This centre is a focal point of the collection of a range of forest produce. Initially, she was a part of the Production Centre Development (PCD) project. Now a shareholder of the company, she actively contributes to over INR 20,000 on a monthly basis from her own field that she maintains as well as through Non Timber Forest Products collection.

Packing and processing is the primary function of the production centre – which is where she commenced her activities with the company. She has mastered the skills of creating beeswax balms, candles, amla/nutmeg candies and silk cotton products. This makes her an integral part of the team in the centre. In addition to this arsenal of skills, she also oversees the procurement and quality checks of the collection of produce in the centre. She now leads the operations at the centre, making sure everything runs smoothly.





AADHIMALAI PRODUCER COMPANY

The fulcrum that Last Forest operates on, Aadhimalai Producer Company has been working with the communities of the Nilgiris since the turn of the millennium. With the aim to connect markets and communities, we have been working ever closely with the producer company through the years, with the relationship going leaps and bounds every year despite obstacles that tend to surface in the work that we do.

As our biggest supplier, Aadhimalai have recorded a 13 million turnover in the financial year. Their operations have covered 160 villages across the Nilgiri Biosphere Reserve and the Satyamangalam tiger reserve. In these villages, around 3000 families have benefitted with members actively participating in the collection of NTFP, processing and execution.

There have been more concentrated efforts in procurement during the year which saw a huge increase in the collection of shikakai, pepper and eucalyptus oil. A distillation unit to produce eucalyptus oil has also been set up by the company as a result. Raising awareness of the markets and how the supply chain plays an important role in this system and improved quality checks of products at the point of collection were other endeavours ventured upon.



RETAIL, WHOLESALE & E-COMMERCE

We set out in the beginning of this financial year that the wholesale team clubbed with e-commerce will strive to achieve a target of Rs.4.2 million - an increase of Rs.2 million from the year before. We should have been elated that the team achieved Rs.14 million but the flipside was that although the top line revenue was reached, the unit profit crashed hard. We have made some costly mistakes as an organisation and that brought the closing figure to a huge loss. From a raid by the health department on our personal care products missing some crucial info on the labels, to a wild goose chase of fraudulent wholesale purchasers of black pepper, this year was full of hard lessons which left the entire senior team completely derailed and demotivated. The troubles seemed never ending.

Based on last year's non stop participation in exhibitions all over the country, we also took a step back, analysed the numbers and decided not to venture that route this year.

The positives however were that a focused effort in Bangalore saw the revenue rise by 10% from the previous year, Nilgiris' sales increased by close to 20%, and rest of the country's revenue grew by 17%. The largest achiever was once again the Wolfpack group of stores which grew by almost 30% across several Club Mahindra resorts. On the flip side we lost some major customers in Chennai.

To top it all two of our core team members quit to pursue other interests and we were left handicapped while holding fort and recruiting new talent. The ship survived despite all turbulence and steadied itself gradually by the end of the fiscal year.

A major highlight was almost doubling of the revenue through Amazon with a listing of over 130 products. And finally, in February with incessant work by Swedish interns, moved our e-commerce site from a Wordpress platform to an all-inclusive sales platform on Shopify. The ease of operations on the website eased and streamlined overnight!



OUR VALUE SYSTEMS



TRAININGS



FAIR TRADE

In the course of the year, as a certified member of the World Fair Trade Organisation, we were up for a peer review.

This was done by Sujata, from SASHA handicrafts in Kolkata. They have been our partners for a long time now and are one of the prominent members of the WFTO in India.

Before the review took place, we had to assess ourselves and come up with improvement plans that we would be implementing in the forthcoming years. This process allows us to rethink where we could improve and do better in terms of Fair Trade.

Sujata had visited our head office and production centres, evaluated and dissected all aspects that are crucial to ensure Fair Trade practices. Our self-assessment report was thoroughly inspected as well. After which, a report of our progress was submitted to the WFTO who in turn have renewed our membership.



STANFORD SEED - TOWARDS TRANSFORMATION

Last Forest was a part of a transformation program called the Stanford Seed program, organised by Stanford University. The program works closely with companies and guides them towards transforming themselves by analysing their strengths and weaknesses. We were selected from a list of 600 plus applicants from all over the country.

The first in-company workshop involving the leadership team at Last Forest took place in the later stages of February. We were joined by Sirish – our facilitator for the program. The team was completely immersed in the workshop as we had to work on our mission statement which would be the driving force for us in the coming years. We also had to dissect and analyse every single aspect of our company to see where we stand and how we can improve and go forward to transform ourselves.

There was a follow up session a few days later where the team had to identify the main deficiencies that needed improvement, and the core strengths that we can build on going forward. This ended with a team dinner which was much needed after the intense workshop. Safe to say, the team will have a lot of sleepless nights pondering and ever excited about this transformation in the coming months.

NON TIMBER FOREST PRODUCTS EXCHANGE PROGRAMME

Aritra has been working with the network now for five years. Last year, Aritra helped the network compiling reports and with design materials. A newsletter, Leaf Litterette, a monthly thought provoking journal was conceptualized last year - where news are published along with photos from various environmentalists and activists. Aritra works with Madhu Ramnath, India coordinator for website related activities, publications and designs.





AROUND THE TABLE

It has been an year of ups and downs, a year of contemplation, a year of change!

We are in our 4th year of operations and will turn 4 in August. It is a time for us to reflect and secure the future of this restaurant. A trip to Terra Madre in Italy got everyone inspired at the restaurant, turning 80% of our provisions into organic and locally sourced wild ingredients.

We've also had a very interesting session with students from Cornell and the community student where the students were tasked with curating fusion dishes with local tribal ingredients.

Not to forget, the team has been rock solid over the past year - taking on the busy season with a smile across the face.

The restaurant dreams of positioning itself in a niche market thus creating a better story with more value for it's guests. Financially last year was rocky but we are confident to soar into higher heights and bigger challenges.

We are very hopeful and we need your help to come around the table and join us and help us as we look to transform ourselves.

ORGANIC YOUTH FORUM

Frango and Aritra were part of a select group of young folks from all over Asia - attending the 2018 Organic Youth Forum, in the Philippines. The pre-forum tours took them to various organic municipalities - a learning adventure from Dumingag, Kasuwagan, Talisayan to Bislig City. The Youth Forum was a very special and unique event as it was only open to the trainees of the ALGOA Organic Foundation Courses or the Organic Youth Forums held over the past 3 years.

Extremely fortunate to see the kind of hard work that these municipalities were making towards organic farming. In a strife torn area, working with rebels and turning them into farmers under the "Arms to Farms" Act - truly inspiring. At the end of the tour, the 24 students from 10 different countries have been officially recognized as Youth Ambassadors as well as a structure inside IFOAM Asia. The Forum is working towards building a vision and activities to inspire more young people to take to organic farming.

TERRA MADRE

A group of four from Keystone Foundation and Last Forest visited Turin, Italy for the world's greatest local food spectacle - Terra Madre and Salone del Gusto! We were extremely proud as we were the only organization representing India that had its own stall.

Leo has been working with coffee roasting master, Alessio to work on wild Nilgiris coffee and have it recognized as a Slow Food presidium. We had a live Coffee bar, where we were brewing fresh moka - a hit amongst the Italians and delegates from all over the world. Our honey, which is already part of the Ark of Taste didn't need an introduction, all the bottles that we carried vanished in two days. Our beeswax wrap stole the show though - this new innovative wraps took the crowd by storm.

Place to Bee, our Slow Food restaurant made a mark at Terra Madre because of the Slow Food activities that we've been participating over the last three years. It was great to see people interested in the kind of work we do in the restaurant where we have been trying to promote local cuisine with an Italian twist. Great networking all around - meeting indigenous chefs and food specialists from around the world and India. Lots of opportunities for collaboration and we can't wait to start working together. Nandan and Aritra have also started the conversation to start a Slow Food Youth Network in the Nilgiris.

Terra Madre hosted the most exotic and traditional food stalls from across the world - to see how food is processed traditionally was a treat and inspiration to all food lovers and enthusiasts.





E-COMMERCE & WEBSITE

Providing an unforgettable shopping experience for our customers on our website was one of the main goals we were gunning for this year. This was made possible by shifting to Shopify – a platform tailor made for e-commerce sales.

Apart from the Last Forest website, our presence on Amazon.in was something of an effort by the marketing and operations teams as well. With the constant need to satisfy the customer with their order reaching on time and in one piece, we moved into eco friendly sturdy packaging for our honey bottles, which saw a significant reduction of breakage.



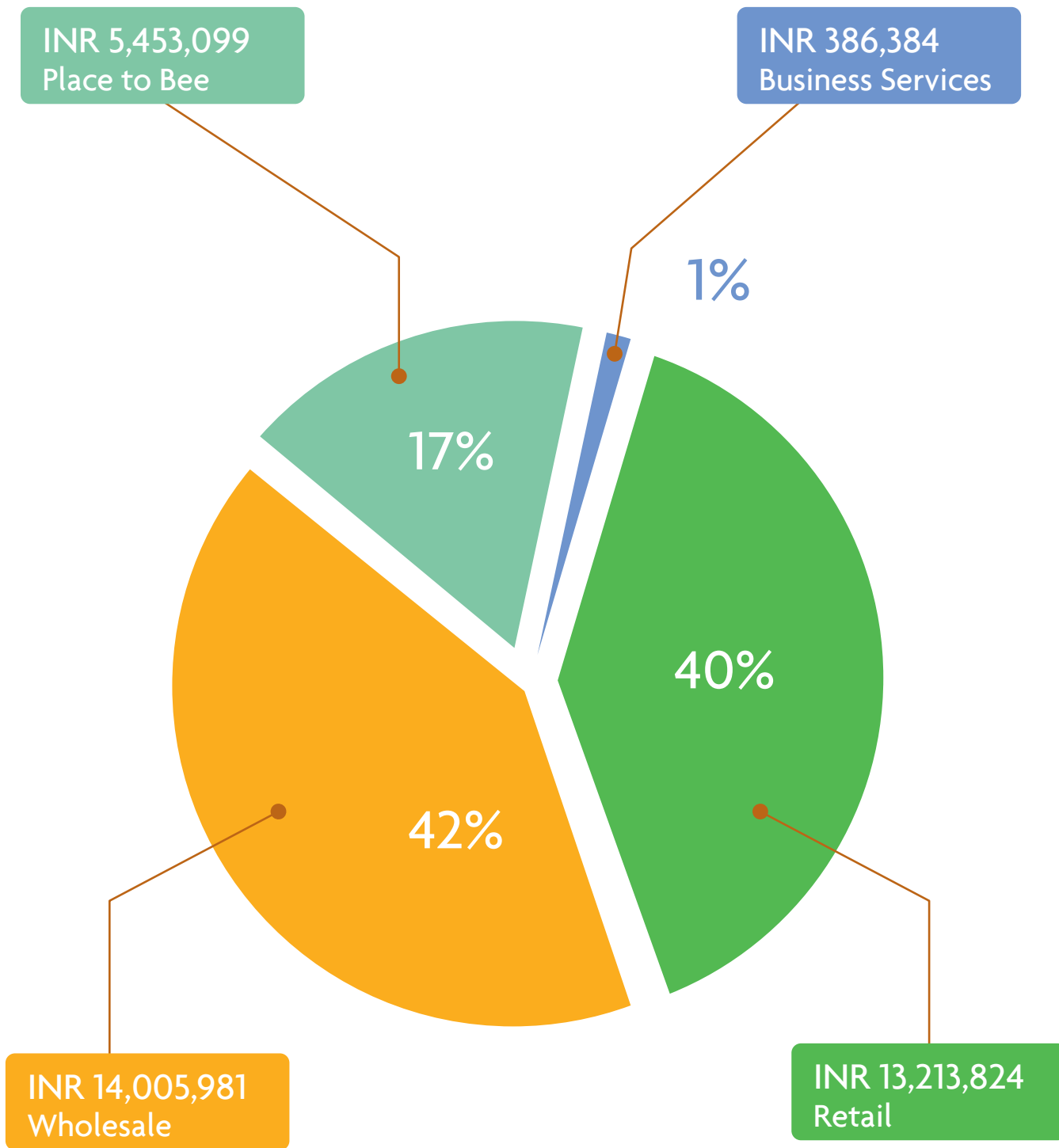
Balance Sheet as on 31.03.2019

(in million INR)

EQUITY AND LIABILITIES	2018-19	2017-18
Capital Funds	4,51	0,51
Non-Current liabilities	-	2,39
Current liabilities	7,71	5,67
ASSETS		
Fixed assets	0,91	1,21
Other non current assets	11,31	12,03
Current assets	12,22	13,25

Profit and Loss account for the year ending 31.03.2019

	2018-19	2017-18
Revenue from operations	32,97	32,11
Other income	0,03	0,21
EXPENSES		
Purchases	16,11	15,12
Changes in inventories	0,2	0,22
Direct and indirect expenses	17,38	16,07
Profit before taxation	-0,7	0,91

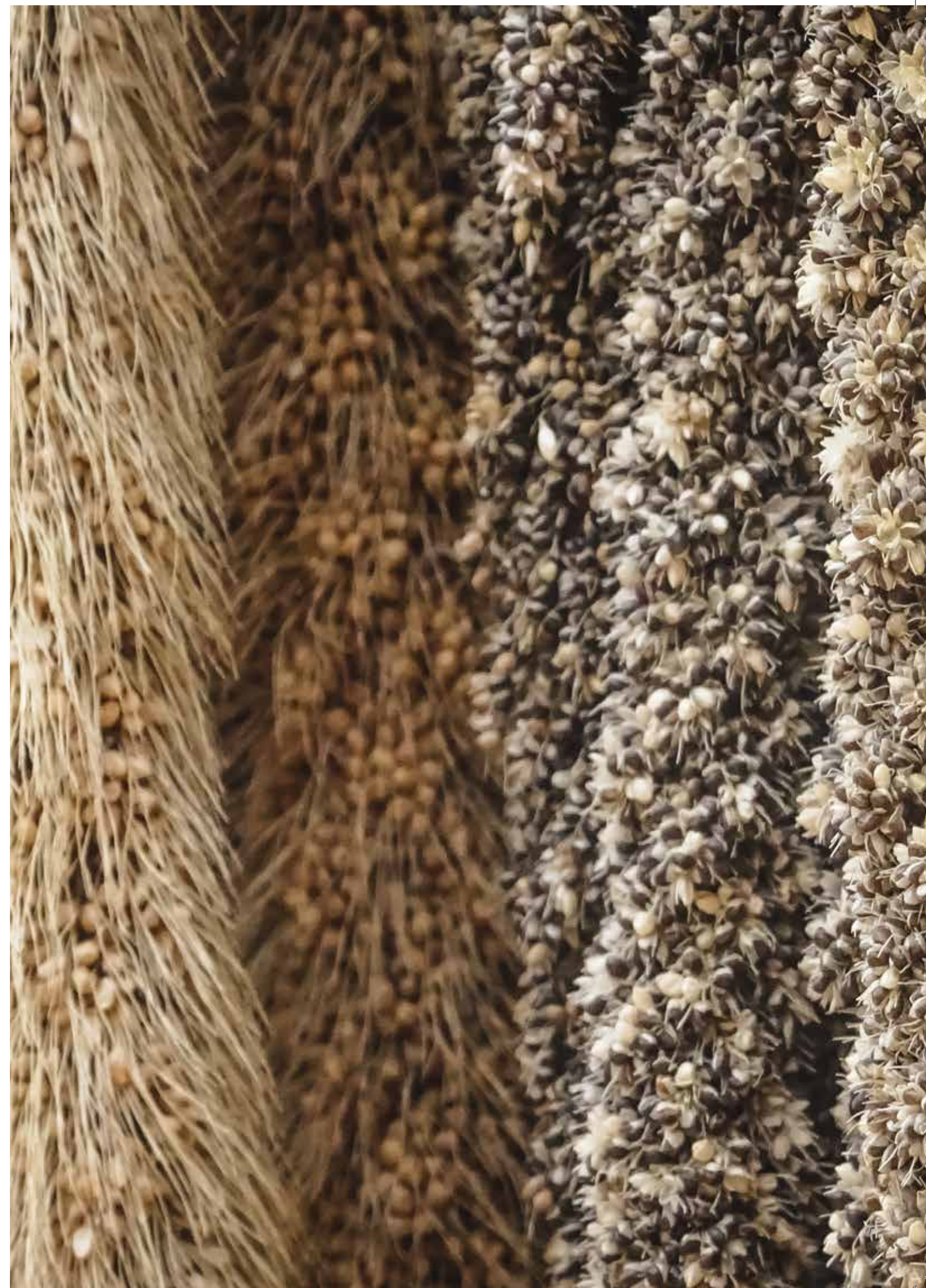


TOP DEALERS

Wolfpack Outdoors	INR 1,762,980
Antony	INR 1,597,653
Kriti Eco Boutique	INR 843,845
Modern Stores	INR 669,743
Food Barn	INR 447,042
Elements	INR 389,055
Organic partners	INR 286,994
Nellai	INR 227,818

GREEN SHOP

Kotagiri	INR 3,308,478
Coonoor	INR 5,197,749
Ooty	INR 4,351,600
Coimbatore	INR 355,977



PEOPLE



Team - Head Office

Mathew
Managing Director



Mathew is the managing director of Last Forest Enterprises and co-founder of Keystone Foundation. Passionate in every aspect that goes into running the organisation, he constantly examines ways in which Last Forest can evolve. He envisions this evolution to be people-centric and based on the values and principles that the organisation stands for. All this keeping in mind the ever-growing demand of markets.



Frango

Frango is the driving force of operations in the enterprise. He guides his team with robust systems to ensure smooth flow of activities. His wit and offbeat perceptions to life contribute to a great deal of moments of laughter within the team.



Monica

With a decade of meticulous handling of finances under her belt, Monica is our accountant who has transformed herself into a member of core importance. She consistently observes and questions every element of the company to ensure its smooth running. She can often be heard singing softly at her desk.



Miller

The energy level that Miller functions on are unparalleled to anyone else in the team. He is the senior most member of the sales and marketing team and uses his vast experience in the field to deliver beyond expectations time and again. He is famously known for his dazzling dance moves!



Nandan

A walking calculator, our marketing head Nandan thrives on data. The way he effectively combines statistics and quick thinking to head the sales and marketing at Last Forest, is a colossal asset to the company. Whenever he gets the chance, scaling mountains is something he savours.



Aritra

Aritra manages Place to Bee - our Slow Food restaurant in the busy little hill station of Ooty. An avid foodie, he is devoted to spearheading the activities at the restaurant. His perception on aesthetics and design is an addition to his arsenal of skillsets that he brings to the organisation.



Teny

Smiling in the face of pressure is something that comes flawlessly to Teny, our procurement manager. She simultaneously takes care of the administrative duties of the organisation as well. Her efficient demeanour of handling things has made her indispensable to Last Forest.



Marimuthu

Honey, being the core product of Last Forest has a whole section dedicated to its testing, packing and delivery. And in charge of this section is Marimuthu. He diligently anchors the activities taking place in the honey section. Open to learning, he has found a space where he strives to be an effective leader.



Madhusudan

Madhusudan is the artistic eye of Last Forest. His command over creative writing makes him the dedicated and efficient Communications Manager. Madhu never says no to anyone or anything (we are training him to say 'NO'). He has found his space in the organisation and is very happy with what he does.



Pravin

Prior to cementing himself and becoming a significant part of the sales and marketing team, Pravin has set a benchmark that has yet to be matched at the Green Shop in Coonoor. His relationship with his customers is unparalleled.



Dayal

Has recently made the transition to the sales and marketing team of Last Forest, where he has found his true calling! He has taken up the responsibility of handling our top dealers as soon as his shift was done from accounting.

Operations



France

Quality check is an integral part of our operations. Leading by example, France is an important member of the team who scrutinises each product that comes into the packing section and makes sure only the best gets curated onto our shelves.



Mala

She may be small but plays a mammoth part in the most important part of our company – the honey unit. Mala has been with Last Forest ever since the honey unit came into existence. Has immense experience and knowledge on packing and honey.



Gopalakrishnan

The gentle giant of the team, Gopal is part of the core of our organisation, the packing section. The way he skillfully executes the packing of products and boxes is a joy to watch for anyone who comes across him.



Mahendran

Affectionately referred to as 'master' by the whole team, Mahendran and his infectious laughter have become part and parcel of the organisation. His cheerful personality makes it very easy for anyone to work with him.



Joshwa

He may look intimidating the first time you lay your eyes on him, but Joshwa is not a book that should be judged by its cover! Mild mannered and always looking to pull someone's leg, he plays an important role in the process of honey packing of Last Forest.



Asia

A familiar face in our packing section, Asia has been with us for the better part of a decade! Meticulous in her work, she executes all orders that need to be dispatched to our Green Shops. Always ready to lend a helping hand to anyone that needs it.



Jancy

The entertainer of our packing section, Jancy is a dynamic presence who actively keeps herself busy with various tasks in the section. She always has a willingness to learn about a lot of things beyond her regular duties.



Prabhu

A strong support system for the whole team, Prabhu has been operating in the honey section since the dawn of the year 2017. Plays an important part when it comes to the processes of honey before it gets packed.



Victoria

You will never notice or tend to acknowledge the presence of Victoria. Quietly going about her duties, handles the packing of products in bulk to retail packets. She is extremely meticulous when it comes to packing.



Immanuel

In his second stint with us, Immanuel has become part of the procurement team and has taken over with tremendous energy. He instinctively stays on his toes all the time and is reluctant to stay in one place for long periods of time.

Retail



Kokila

The longest serving member of our Green Shops, Kokila is a favourite among our customers in our Kotagiri store. She has tons of experience in the retail space and customers specifically ask for her when they visit.



Priya

Presently overseeing the sales and responsibilities of our Green Shop in Coonoor, Priya was a welcome addition to the team. Her strong sense of ownership has seen her take the shop to new heights. She has now established herself as a familiar face among our customers.



Freeda

The newest member of the Ooty Green Shop and forever smiling, Freeda took charge of the store just after the new year of 2019. She doesn't hesitate to lend a helping hand to her colleagues in the store and head office.



Vijaya

Our senior most member of the Green Shop team, Kotagiri resident Vijaya is a familiar face in our Kotagiri Green Shop. Has worked for the longest time at Last Forest and knows the effort required to effectively run a retail store.



Sheela

Responsible for the neat and tidy campus at our Ooty Green Shop and restaurant is Sheela. She works round the clock to ensure that anyone who walks into our Ooty campus goes away in awe of the place!

Place to Bee



Abhijit

A fusion restaurant like Place to Bee requires us to be on top of our game to bring out the best Slow Food dishes in town! Spearheading the operations in the kitchen, a natural leader in the restaurant space and an extremely skillful chef who creates the most scrumptious dishes effortlessly.



Purna

Every organisation has their own superhero. Ours comes in the shape of mild mannered Purna! He is an absolute favourite amongst our customers and has earned Place to Bee and himself rave reviews each time he is out there doing his thing.



Surendra

Quiet, simple, precise, pleasant are just some of the words you can use to describe Surendra. He takes charge of creating dishes and helping with what must be made in the menu of our Slow Food restaurant.



Gobinda

Young, vibrant and can turn anyone's frown upside – down, Gobinda has been with the team at Place to Bee for a couple of years now. He is an essential part of the kitchen and assists with making our signature wood fired pizzas at the restaurant.



Lavanya

A member of the kitchen staff at Place to Bee, Lavanya works meticulously to ensure that there is nothing that falls short or anything is out of place at the restaurant. She holds fort at the kitchen and has made herself an essential part of the team.



Thatteus

The kitchen is not complete without Thatteus. He is the unsung hero of the team. Keeping things ticking between the hustle and bustle of the busy working hours in the restaurant is something that comes quite naturally to him.



Pream

The youngest member of the team -Pream's energy levels are unmatched to anyone else's on the team. He makes his presence felt in the kitchen by constantly engaging with his teammates around him.



Sunderrajan

Keeping our Ooty campus protected and secure is Sunderrajan, our most experienced member of the Place to Bee team. If you've been to our restaurant, you know for a fact that you will not miss out on our lush kitchen garden!

Advisors



Kavita

As a Social Design Thinker, she comfortably plays the role of a catalyst by foreseeing challenges of conceptualising and development. Her pursuit of perfection in all that she does has made her a critical member of the team.



Sekhar

Since his association with Last Forest, 5 years ago, he has changed and revolutionized the way the organization has analysed its finances. His ability to make the toughest of concepts real for local team members has made a key member.

Board of Directors



Mathew



Sneh



Pratim



Somnath



Bhupi

Our Auditors

INTERNAL AUDITOR

John Mathew
J. Mathew & Co Ooty

STATUTORY AUDITOR

Shanmugasundaram K
Srivatsan & Gita
Coimbatore

COMPLIANCE AUDITOR

Soy Joseph
SAS Partners
Chennai



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Shops & Restaurant

Kotagiri

Johnstone Square
(Kamraj Square)
Kotagiri - 643217
Ph: 04266 273887

Ooty

176/A, Sargan Villa,
Opp. Hill Bunk (Petrol pump)
Ooty - 643001
Ph: 0423 2441340

Coonoor

Jograj Buildings
Bedford Circle
Coonoor - 643101
Ph: 0423 2238412

Coimbatore

No. 28 Valluvar Street
Shivananda Colony
Coimbatore 641012
Ph: 0422 4348277

Place to Bee

176/A, Sargan Villa,
Opp. Hill Bunk (Petrol pump)
Ooty - 643001
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