



Access livelihoods Consulting India Private Limited

Minutes of the Special Board of Directors Meeting 2009 – 2010

1. Board Minutes - 13th Oct 2009
2. Board Minutes - 9th Jan 2010

Minutes of the Board Meeting – Y5/Q2**Dated – 13th Oct 2009****Present –**

1. Mr Amitabha Guha (Chairperson, ALC India)
2. Mr GV Krishnagopal (CEO, ALC India)
3. Mr N Madhu Murthy (Director, ALC India)
4. Mr GV Sarat Kumar (Permanent Invitee, Board ALC India)
5. Ms Rituparna Mazumdar (Consultant Representative, Board ALC India)

Agenda of Board Meeting –

1. Conduct of Board Meeting of ALC India
2. Consider the Half Year Performance of ALC India
3. Consider the Financial Performance of ALC India
4. Consider the Internal Audit Report Q2, FY 09 10 ALC India
5. Consider the Business Development Report ALC India
6. Consider the PMIS & Project Progress
7. Consider the HRM Progress
8. Consider & Approve the Annual Report Yr 08 09
9. Any other agenda as per suggestions of Chairperson & Board Members

Key Decisions & Suggestions –***Y5/Q2/1 – The following suggestions have been made by the Chairperson on the Boards Functioning –***

Y5/Q2/1/1. – For the board consideration only the governance & policy level issues should be referred. All routine operational issues should be monitored by the CEO, ALC India. The board shall only consider – policy matters, statutory compliances and company overall performance.

Y5/Q2/1/2. – Each Board Meeting should be uniquely numbered – similarly each agenda should also be given separate numbering so that the discussions can take place in a systematic way.

Y5/Q2/1/3. – Board Meetings should be short and to the point. Reports shall be sent through an email to the Board Members at least 3 days before the scheduled meeting for consideration. Only two copies should be printed for the meeting to conserve on the paper used.

Y5/Q2/1/4. – Along the agenda and reports there shall be separate annexures which shall carry information on observations of the Board complied with and kept pending. Compliances to the time schedule mentioned at the Board Meeting shall be monitored and instead of penalizing the real problems underlying the delays should be considered.

Y5/Q2/1/5. – Care should be taken to use Male/Female rather than Man/Woman in reports.

Y5/Q2/1/6. – Progress of ALC India shall be presented in simple tables which shall give picture of target, achievement & variance. Reasons for variance shall be explained separately. Also success stories or progress shall be presented to the Board for consideration.

Y5/Q2/1/7. – For the Board Meeting all the Domain Heads shall be invited and one of the Consultants can be called on rotation basis.

Y5/Q2/3 - The following suggestions and decisions were taking upon consideration of the financial statements presented -

Y5/Q2/3/1 – It is observed that the organization is reporting steady growth in turnover, number of projects handled and profit generated. This performance is appreciable.

Y5/Q2/3/2 - Financial statements indicate that while business growing the net margins is very low. Therefore, revision of the pricing mechanism of consulting services may be considered.

Y5/Q2/3/3 – Reviewing the expenditure and overheads regularly against the budgets and turnover on regular basis is important.

Y5/Q3/3/4 – Financial reports should be presented crisply. In a single page both the balance sheet and profit and loss heads should be presented. Only the figures related to the last two years are relevant for analysis. Budget, achievement and variance are important for the analysis. Previous year figures can be presented in brackets below the current year figures.

Y5/Q3/3/5 – ALC India should soon develop enough mechanisms to finance the short term gaps in the cash flows. A beginning that has been made with SBI is good.

Y5/Q3/3/6 - Account Heads used in Balance Sheet and Profit & Loss Account requires some changes however it can be done in the next financial year. Advance received should be used instead of payables or sundry debtors. Employee Contribution account should be mentioned instead of regular savings.

Y5/Q3/3/7 – Interest on unsecured loans should be paid every quarter. It shall not be accumulated as being currently done.

Y5/Q3/3/8 – Petty cash up to Rs 1000 shall be maintained regularly.

Y5/Q2/4 – The following suggestions & modifications emerged on the internal audit report –

Y5/Q2/4/1 – Internal Audit team should be nominated for a year so that team members gain sufficient experience in assessing and presenting qualitative report to the Board of ALC India. CEO, ALC India shall nominate the team.

Y5/Q2/4/2 - In internal audit, currently four components are considered – Governance, Program, Process – Quality and Financial. It is suggested that a new Internal Audit Policy and Practice Note shall be developed for consideration of Y5/Q3 Board Meeting, scheduled in the month of Jan 10. The policy shall specify the routine for observations. Governance & Program Audits can be done once in a year. Process - Quality Audits shall be done twice in a year while the Financial Audit can be carried out every quarter.

Y5/Q2/4/3 – Internal audit reports should be analytical and should basically present the performance against the output & outcome indicators. Key result areas in each area are to be reviewed.

Y5/Q2/4/4 – Domain heads shall be responsible for undertaking corrections on the internal audit.

Y5/Q2/7 – The following suggestions & modifications emerged on the Human Resource Management report –

Y5/Q2/7/1 – In the HR Policy It is advisable that the proportion of the female staff should be minimum 25% rather than 40% currently.

Y5/Q2/7/2 – Presentation of the report shall be on the Key Result Areas related to recruitment, retention and other efforts of HR Domain.

Y5/Q2/7/3 – To address late coming and late submission habits of consultants tracking of the habitual delayers is important and counselling them on the reasons for such habits will give better results rather than penalizing.

Y5/Q2/7/4 – For a small organization the number of domains seem to be too large so it is important that some them can be combined. As the organization expands other layers can be added.

Y5/Q2/7/5 – Staff turnover is an important issue to be addressed. Every employee who leaves the organization is adding cost to the organization. Therefore, efforts should be taken up in understanding the reasons for exit and in systematically improving the systems accordingly.

Y5/Q2/9 – Discussion on the flood situation in Andhra Pradesh and Karnataka was taken up and the following suggestions have emerged for action –

Y5/Q2/9/1 – It is important to create a disaster response cell within ALC India made of consultants drawn from different domains. Participation in the different phases of disaster work at relief, reconstruction and rehabilitation phase is important. Critical lack of information, coordination and ideas for these three phases is seen.

Y5/Q2/9/2 – It is important to develop good programs with an investment of Rs 5,000 to Rs 10,000 per household which will help them to restore their livelihoods.

Read and Agreed –

1. Mr Amitabha Guha (Chairperson, ALC India)
2. Mr GV Krishnagopal (CEO, ALC India)
3. Mr N Madhu Murthy (Director, ALC India)
4. Mr GV Sarat Kumar (Permanent Invitee, Board ALC India)
5. Ms Rituparna Mazumdar (Consultant Representative, Board ALC India)

Minutes of the Board Meeting – Y5/Q3**Dated – 9th Jan 2010****Members Present:–**

1. Mr.Amitabha Guha, Chairperson, ALC India
2. Mr. Vinod Reddy, Independent Director, ALC India
3. Mr.N.Madhumurthy , Director & Domain head-IOM
4. Mr.V.Madhusudana Rao, Director, ALC India
5. Mr.G.V.Krishnagopal, CEO, ALC India
6. Mr.G.Satya Dev Prasad, Partner & Domain head-PPM
7. Mr.G.V.Sarat Kumar, Permanent Invitee & Doamin head-HRM
8. Mr. Manas, Domain head-ICK
9. Ms. Kameshwari, Domain Incharge-FMA
10. Mr. Sarfaraz Khan, Consultant Representative

Approved Agenda of Board Meeting :–

1. Y5/Q3/1 Review of Compliance report on Y5/Q2 BM
2. Y5/Q3/2 Presentation & Approval of the following reports
 - a. Y5/Q3/2a PMIS - Project Progress Report Q3 FY 09 10
 - b. Y5/Q3/2b Internal Audit Report for Q3 FY 09 10
 - c. Y5/Q3/2c Three Quarters Financial Statements
 - d. Y5/Q3/2d Business Development Report
 - e. Y5/Q3/2e Overall Progress of Company - ALC India - Q3 against Targets
 - f. Y5/Q3/2f HR Progress Report including 3rd quarter performance evaluation report.
 - g. Y5/Q3/2g Budget for Q4 FY 09 10
 - h. Y5/Q3/2h Internal audit policy and practice - concept note
3. Y5/Q3/3 Approval & Induction of new Board Members - Mr. Vinod Reddy, Mr. V. Madhusudhan Rao
4. Y5/Q3/4 Review of progress in Bhubaneswar Unit.
5. Y5/Q3/5 Approval of Proposal on Annual Advocacy Summit on Small and Marginal Farmers in Agriculture
6. Y5/Q3/6 Approval of Proposal including business plan of Academy
7. Y5/Q3/7 Approval of concept note on film festival
8. Y5/Q3/8 Approval of concept note on biodiversity workshop
9. Y5/Q3/9 Appraisal on the legal compliance status of ALC India.

Key Decisions & Suggestions –

The following suggestions have been made by the board on various agenda items:

Y5/Q3/2a

1. In the next financial year 2010-11 stabilise the budget for all internal investments and apportion the expenditure quarterly.
2. Investment should be done after there is enough revenue to meet the current year expenses. And so improve the revenue stream or ensure there are enough external resources to undertake the investment without affecting the cash flows.

Y5/Q3/2b

Internal Audit report should be reviewed at CEO level & and only action taken on internal audit shall be placed before the Board of ALC India. Language in the audit report should be carefully used. Words like artificially matched should not appear.

Finance Audit:

While making cash payments signature of the receiver should be taken compulsorily. So no payments should be done without vouchers.

2. Cash book should be closed & signed by the domain incharge on daily basis.
3. Bank Payment Vouchers: For all the online transfers signatures must be taken from the consultants once they receive amount in their account. If any consultant is not available on the date of payment signature can be received on the day they comes to office.
4. A clear structure has to be developed for the process of Approval of Making payments in terms of delegating the powers for the authorization i.e exigency arrangements in the absence of sanction authority.
5. Board has suggested not to levy any penalty to consultants for 3 next months for the disciplinary items. Instead try to analyse whether indiscipline is happening with same person or different people. Accordingly discuss the observations in the next month board meeting.
6. As per duties and stamp act for any payments above Rs.5000 revenue stamps are not required.
7. Account heads: For this financial year board suggested not to make any changes in account heads but the work – in – progress has to be shown based on the mile stones in the TOR i.e Treat the milestone releases as revenue and not as a liability.
8. Password: Independent access to the accountants with separate password is to be provided which should not be of security concern. Also a unique password should be present.
9. Debt Equity Ratio: The present ratio is fine but as the organization is growing board has suggested increasing the number of shareholders.
10. All Shareholders from the same company are treated as single shareholder from external point of view.
11. Individuals can take personal loans from outside and can contribute towards corpus of the company.
12. Authorized share capital has to be revised to Rs 30 – 40 Lakhs

13. Regarding advance to individuals, the soft copy of the bills can be submitted through email & the hard copies of the same can be submitted within 7 days. This will improve the timely submission of bills.
14. TOR & MOU should clearly specify that milestones are settlements and not that client can get back to raise claim and any claim should have only penalty clauses for not completing the work.
15. Physical cash should tally with cash book and there should not be any discrepancy.
16. Trend Analysis has to be done for proper Budgeting i.e Quarter Wise budget should be based on the past trends.
17. From year 2001-11 onwards, annual budgeting for the organization has to be done with Quarterly apportioning
18. Different options to raise equity are to be seen

Program Audit:

1. Please specify the total projects awarded & the projects yet to start and implemented separately.
2. Time overrun of projects has implication on the revenue stream, so analyse the situation well in advance as the overhead cost increases with time overrun. And in such cases renegotiate the time overruns with clients.
3. Also while signing the TOR include a clause on the time and cost escalation factors in the terms of condition so that the payment should be done according to the number of working days spent and not according to the budget included in TOR.
4. Consider the status of projects on the basis of milestones in TOR and should treat the revenue accordingly as work in progress.
5. 15% deviation should be allowed in cost and time components in the contractual terms giving some scope for expansion.

Y5/Q3/2f

1. Recruitment of 3 full time consultants is to be done in this month only.
2. The percentage deviation in the performance of consultants is very high i.e between -50% to -9%. It appears that the performance indicators are pretty strict and so HR domain should assess the skill gap and induct the consultants who are under performing.
3. HR performance report need not come to the Board

Y5/Q3/2h

1. Only the variances based on the plans should be monitored and there is no need to have separate policy on internal audit. Analyze whether the deviations are systemic or due to individual issues.

Y5/Q3/4

1. The Orissa government projects have a huge business potential which needs to be tapped by the Bhubaneswar unit.
2. Also Bhubaneswar unit can work for stopping the relocation of the people in various projects and industrial displacements and work towards the fulfillment of their needs.

3. For the purpose of Bhubaneswar unit, value addition to existing services has to be done and ALC India's products need to be customized.

Y5/Q3/5

1. The Concept paper on Agriculture summit is good and so the organization can proceed with the consultation meetings.
2. Agriculture Commissioner or Secretary Agriculture GoAP, Mr Shiv Kumar, ITC, NABARD CGM, SIDBI and GM State Bank are to be involved in the summit.

Y5/Q3/6

1. Concept note on academy is good but this is not the right time to start an academy which requires a full time dedicated consultant from ALC India. And presently ALC India is not in a position to loose such consultants as strengthening of ALC India's cash flows & other issues are the priority items now.
2. But Board suggested consulting with all the senior level consultants of ALC India and getting feedback from them. The feedback from the internal consultations can be discussed in the next board meeting to come up with some conclusion.
3. Board also suggested ALC India to work for one year on various assignments on academic courses to gain more expertise on the same.
4. Collaboration and credibility of the brand is required for the academy.

Y5/Q3/7

1. Assess the synergy of Tatya with ALC Objectives & Financial viability. For conducting Movie festival it is left to the discretion of CEO.

Y5/Q3/8

1. Bio Diversity workshop Concept note is good & so board has given permission to proceed with it.
2. Also include the concept of Carbon credit which is a sophisticated program on preserving the environment in the workshop.

Y5/Q3/9

1. Intimation to ROC has to be done regarding the appointment of new directors & the existing director's DIN i.e DIN3 Compliance need to be done.
2. A concept note on allotment of new shares and also increase in authorised share capital has to be developed.
3. Letter of Independent Directorship has to be given to Mr. Vinod Reddy and acceptance for the same has to be taken from him.
4. With regard to filing of Income tax returns to ROC , audited financial statements can be sent first
5. TDS deducted from employees should be filed immediately with department