



Access livelihoods Consulting India Private Limited

Minutes of the Special Board of Directors Meeting 2011 – 2012

1. Board Minutes - 15th July 2011
2. Board Minutes - 21th Oct 2011
3. Board Minutes - 21st Jan 2012
4. Board Minutes - 30th April 2012

BM_Y8_Q1

BM_Y8_Q2

BM_Y8_Q3

Access Livelihoods Consulting India Private Limited

Board Meeting Y7 Q1 - Minutes

Members Present

1. Mr. Vinod Reddy – Chairperson and Independent Director
2. Mr. G V Krishnagopal – Director
3. Mr. G Satya Dev Prasad – Director
4. Mr. N Madhu Murthy – Director
5. Mr. G V Sarat Kumar – Director
6. Mr. V Madhusudana Rao - Director

Board Meeting Agenda

1. Y7/Q1/1 Approve Y6Q4 Board Meeting Minutes
 2. Y7/Q1/2 Action on Y6Q4 Board Meeting Decisions
 3. Y7/Q1/3 Consider Y7Q1 Progress Reports of 2011 – 12
 - a. PMIS Report of Y7Q1
 - b. Financial Statements Y7Q1
 - c. Projected cash flow of Y7Q2
 - d. PFMIS Report of Y7Q1
 - e. Business Development Report of Y7Q1
 - f. HR Progress Report of Y7Q1
 - g. Legal Compliance Report of Y7Q1
 - Y7/Q1/4 Review Progress of Units
 - a. Progress of Odisha Unit FY 2011-12
 - b. Progress of Ranchi Unit FY 2011-12
 4. Y7/Q1/5 Consider expansion of the Board of Directors
 5. Y7/Q1/6 Constitution of advisors for current FY 11 – 12
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Suggestions for Improving Financial Management

- a. The new high value projects can be leveraged for raising bank loans. The project finance details including expected surplus have to be worked out for this purpose.
- b. Bank loans have to be utilized on priority to pay unsecured loans and for working capital needs. The prioritized payments should be salaries of non board members, statutory payments, director salary dues and then servicing unsecured loans.
- c. The current lot of lenders should not get struck and they have to be paid on priority basis once the cash inflow happen. Clearing of the current unsecured loans has to be focused.
- d. Constant repayment of the cash credit has to happen to keep increasing the credit worthiness of the organization.
- e. FMA has to have a full time head instead of part time and working on different projects. To take up other projects, the FMA work load has to be assessed and planned accordingly.
- f. FMA needs to have an exclusive and specialist finance person for full time. It also has to be seen that there is continuity for finance person.
- g. Apart from the short term bank loans, there should not be long term debts (like unsecured loans) paying interest over it.
- h. Develop simulation scenarios on the cash flows and keep monitoring the same on priority. Monthly projections of cash inflows and outflows along with potential surplus and deficit have to be projected.
- i. Possibility of domain wise bank accounts can be explored to make available resources for domains which is performing.

Resolutions

Following are resolutions passed and observations made by the Board:

1. Y7/Q1/1 Approve Y6Q4 Board Meeting Minutes

Signatures of Directors to be taken: Done

2. Y7/Q1/2 Action on Y6Q4 Board Meeting Decisions

Approved

3. Y7/Q1/3 Consider Y7Q1 Progress Reports of 2011 – 12

a. PMIS Report of Y7Q1

- In view that large and long term direct implementation projects are sanctioned all systems required to manage them have to be developed and in place.
- Detailed financial plan has to be developed to execute such large projects.

b. Financial Statements Y7Q1

- Capitalization of some expenses to show fewer losses in current year can be considered and explored.

c. Projected cash flow of Y7Q2

- Keeping in view of different projects (both current and expected), monthly cash flow statement for remaining year has to be prepared. This should indicate details like work orders, potential surplus etc.

d. PFMIS Report of Y7Q1

- There can be separate bank accounts for each of the direct implementation project so that the finances and accounts are distinct and clear.

e. Business Development Report of Y7Q1

- For Rabo Bank Proposals some grant fund can be routed through Chitrika as it is FCRA Compliant and has all necessary tax exemptions.

f. HR Progress Report of Y7Q1

- An analysis of why people are leaving ALC India (including analysis of recruitment) has to be done.
- It has to be seen that the required match is struck between candidate and the organization at the time of recruitment as recruitment is a wooing game. For example, arranging meeting of candidate with 3-4 key persons in the organization will be effective.
- ALC India's brand and brief description (indicating the core purpose and values, which does not change from time to time) have to be used to attract people and projects.

g. Legal Compliance Report of Y7Q1

Approved

Y7/Q1/4 Review Progress of Units

- Attrition is the major issue in units which has to be addressed. Thus retaining people is important.
- Current focus shall be on ensuring minimum viability through outsourcing the work from ALC India Hyderabad Unit.
- No additional energies to be spent on units unless entrepreneurs were found to take them forward. Instead, focus on Rs. 13 crore value projects. Units to be treated as expense centres serving the Head office. The expenses on units have to be minimised. Putting employees in units rather than entrepreneurs does not yield intended results.
- For projects, only project offices can be initiated.

4. Y7/Q1/5 Consider expansion of the Board of Directors

Independent directors are not required at this point till all the statutory dues and finances are settled. However, thinking can go on in identification, the expected contribution and other related matters.

5. Y7/Q1/6 Constitution of advisors for current FY 11 - 12

- The advisory meeting should not be conducted as a ritual or for some contacts and relationships.
- They have to be forums where advisors also interact and learn from one another.
- It has to be decided whether having advisors or advisory board. The composition of the advisory board is also important.

6. Y7/Q1/7 Any other with Chairperson permission**Managerial performance**

Positive strokes also required in performance assessments. Also it can be thought to have some stars, labels (rating) etc for consultants. Efforts like individual and group meetings, identifying areas of weaknesses concerning the organisation etc and necessary corrective steps have to be taken up.

Signatures:

1	Vinod Reddy	
2	GV Krishnagopal	
3	G Satyadeva Prasad	
4	N Madhu Murthy	
5	G Sarat Kumar	
6	V Madhusudana Rao	

Board Meeting Y7 Q2 Minutes

1. Members Present

1. Mr. Vinod Reddy – Independent Director
2. Mr. G V Krishnagopal – Director
3. Mr. G Satyadeva Prasad – Director
4. Mr. N Madhu Murthy – Director
5. Mr. G Sarat Kumar – Director

2. Absent

1. Mr. V Madhusudana Rao - Director

3. Invitees

1. Prof. K V Raju
2. Mr. Andy Bhanot

Board Meeting Agenda

1. Y7/Q2/1 Approve Y7Q1 Board Meeting Minutes
2. Y7/Q2/2 Action on Y7Q1 Board Meeting Decisions
3. Y7/Q2/3 Consider Half Yearly Progress Reports of 2011 – 12
 - a. PMIS Report HY Y7
 - b. Financial Statements HY Y7
 - c. Business Development Report HY Y7
 - d. HR Progress Report HY Y7
 - e. Legal Compliance Report HY Y7
4. Y7/Q2/4 Review Progress of Odisha Unit HY Y7 2011-12
5. Y7/Q2/5 Consider the Operational Guidelines for the SFAC Program
6. Y7/Q2/6 Consider the Financial Management Guidelines for the SFAC Program
7. Y7/Q2/7 Consider the Approach Note for the Ford Foundation Program
8. Y7/Q2/8 Consider Management Audit Report
9. Y7/Q2/9 Consider action taken on Internal Audit Report
10. Y7/Q2/10 Consider Equity Enhancement Plan
11. Y7/Q2/11 Consider expansion of the Board of Directors
12. Y7/Q2/12 Consider Buyback of shares by ALC India
13. Y7/Q2/13 Any other with the permission of Chairperson
 - a. Raise in the upper cap on salary
 - b. Remuneration for Executive Directors

GENERAL INSTRUCTIONS

RESOLUTIONS

Following are resolutions passed and observations made by the Board:

1. Confirmation of minutes of the board meeting Y7Q1

Done

2. Action on Y7Q1 Board Meeting Decisions

The Board observed that most of the decisions are complied.

3. Consider Half Yearly Progress Reports of 2011– 12

a. PMIS Report Half Yearly 2011

1. Even if there are time overruns, if it doesn't cost additional expenses, then it can be considered.
2. Contracts have to be secured with assurance of the required working capital (particularly out of pocket expenses) for the project.
3. The issues of initiation of SFAC have to be sorted out.

b. Financial Statements HY Y7

Approved

1. Accounts receivables have to be classified as per different time lines and have to be monitored accordingly.
2. Those which go beyond accounting year may be written off and if they come after that, it can be treated as revenue (bonus).
3. Service tax payable has to be parked separately in an account by making the cheques also so that there will not be any delays in payment.

c. Business Development Report HY Y7

1. For projects in which time overruns are predicted, then the ToR has to be negotiated accordingly.
2. For government projects, effort should be made to design the ToR keeping in view the aspects like cost of the project (full release at the time of signing in case the project is lower in value than the realistic one); milestones and proportion of release.
3. Opportunities with CSRs, CII, MPs/ MLAs local area development fund etc have to be explored.
4. For NSDC model, a pilot has to be worked out first and then only the scaling up has to be done. Potential funders/ supporters (AIF, DFID, TERI University etc) for pilot have to be explored. The factors of interest/ needs of the stakeholders, employment opportunities and linkages have to be taken into consideration. The programmes need to be generic with wide applicability (like management) with specific courses on the aspects like green business.

d. HR Progress Report of HY Y7

Approved

e. Legal Compliance Report of HY Y7

Service tax also has to be cleared by next month.

4. Review Progress of Odisha Unit HY Y7 2011-12

Approved

5. Consider the Operational Guidelines for the SFAC Program

Board has considered the guidelines and did not have any observations

6. Consider the Financial Management Guidelines for the SFAC Program

Board has considered the guidelines and did not have any observations

7. Consider the Approach Note for the Ford Foundation Program

Board has considered the approach note and did not have any observations

8. Consider Management Audit Report

Considered and the suggestions of the Advisory Meeting also have to be kept in view in considering and finalizing the action on the suggestions.

9. Consider action taken on Internal Audit Report

The board observed that most of the action points in audit report are addressed which is appreciable.

10. Consider Equity Enhancement Plan

The Board suggested to workout the following aspects for the equity enhancement.

1. Prepare a well drafted note which is effectively communicating the aspects like the strengths, why anybody has to invest, the core experience and projects of last 6 years. The note should elaborate on about 10 ideas/ models for next 5 years also. This has to be pitching along with other ongoing major projects.
2. The list of potential investors has to be developed. Before getting into equity raise, the structural and organisational systems issues (like getting into project management role effectively, becoming better before bigger).

11. Consider expansion of the Board of Directors

One person with the background and understanding of the government functions has to be brought on to the Board.

12. Consider Buyback of shares by ALC India

Approved

13. Others

a. Raise in the upper cap on salary

The Board instructed the following to raise the upper cap.

1. Assess against the reason for the limit as laid down 6 years back.
2. Develop some benchmark/ reference against which the raise can be compared.
3. Rise for middle and lower level consultants may not be required.

b. Remuneration for Directors with Executive Functions

Sitting fee for Directors with executive function cannot be given.

Signatures:

1	Vinod Reddy	
2	GV Krishnagopal	
3	G Satyadeva Prasad	
4	N Madhumurthy	
5	GV Sarat Kumar	

ALC India-Board Meeting Y7 Q3 Minutes

1. Members Present

- | | |
|---|-------------------------------------|
| 1. Mr. Vinod Reddy – Independent Director | 4. Mr. N Madhu Murthy – Director |
| 2. Mr. G V Krishnagopal – Director | 5. Mr. G V Sarat Kumar – Director |
| 3. Mr. G Satyadeva Prasad – Director | 6. Mr. V Madhusudana Rao – Director |

2. Invitees

- | | |
|---------------------|-------------------------------|
| 1. Prof. H.R Mishra | 2. Mr. Hari Babu - C.A./ C.S. |
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BOARD MEETING AGENDA

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1. Approve Y7Q2 Board Meeting Minutes
 2. Action on Y7Q2 Board Meeting Decisions
 3. Consider Quarterly Progress Reports of 2011 – 12
 - a. PMIS Report Y7Q3
 - b. Financial Statements Y7Q3
 - c. PFMIS Report of Y7Q3
 - d. Business Development Report Y7Q3
 - e. HR Progress Report Y7Q3
 - f. Legal Compliance Report Y7Q3
 4. Discussion on Y7 Projected Financials
 5. Proposed Budget Process and Expected Budget for Y8
 6. Approval of Mr. Sasanka as Odisha Unit Head and Authorization for Bank Account Operation of Odisha Unit to Mr. Sasanka
 7. Review Progress of Unit- Progress of Odisha Unit Y7
 8. Review Progress of Large Projects (SFAC, NABARD, Ford Foundation and Rabobank Foundation)
 9. Consider Expansion of the Board of Directors
 10. Consider Equity Strengthening Plan
 11. Any other with the permission of Chairperson

RESOLUTIONS

Following are resolutions passed and observations made by the Board:

1. Confirmation of minutes of the board meeting Y7Q2

Done

2. Action on Y7Q2 Board Meeting Decisions

The Board observed that most of the decisions are complied.

3. Consider Quarterly Progress Reports of 2011– 12

a. PMIS Report Y7Q3

1. Don't get domain wise viability figures being projected when it is not important. Report only project based revenues.
2. Track surplus only in direct and indirect outreach. Look at efficiency in management services.
3. Second line leaders/employees and at least 10% of the producer organizations members should be empowered for long term sustainability. So that the focus is consistently on supporting the needs of the marginalized communities and nurturing leaders at all levels.
4. Project opportunities should not be lost out.

b. Financial Statements Y7Q3

1. Revenue realization based on expenses incurred should be practiced. Estimated expenditure should be calculated before revenue realization is shown.
2. Differed revenue expenditure – 5 yrs write off period. So every year 1/5th can be written off. The board has given instruction to write off the assets in a year
3. Service tax payable has to be parked separately in an account on top priority so that there will not be any delays in payment.
4. Write off the knowledge products at the earliest with a proper explanation.
5. Revenue recognition should be done as a percentage of total costs of estimation.
6. Transparency in accounts should be maintained.
7. The group has to take a call to resolve the issue of pending bills which were lost in transit.
8. Accounts should be maintained project-wise.
9. Allocation of indirect cost should be done project-wise.
10. **Valuation of Company:** Calculate the NPV. Policy matter should take the timeline for NPV. Financial Projections will be developed which must be backed by solid convincing argument and convincing stories. Effective communication tools will be developed for investors which must be backed by convincing stories. Group of external people to play devil's advocate for realistic projections. Cost of marketing has to be built in cost of mobilizing funds.

c. Business Development Report Y7Q3

1. Senior team should continue to raise business for the organization. Business development should not be capped.
2. Template of promotion of producer organizations should be developed and senior person should be involved in it
3. Ensure that all the expenses related to the purpose driven grant only should be booked in particular project
4. Allocations of indirect costs as per the projects should be done

d. HR Progress Report of Y7Q3

1. At no cost the employees of ALC India can become employees of the cooperatives/producer organizations
2. Human Resource crunch has to be managed immediately during a timeline of 3 months.

3. Immediate focus on recruiting 2 or 3 senior people in the organization to join the direct outreach programs
4. To get the best HRM for ALC India and to work on retaining them.
5. Continue the current management practice of treating the employees as consultants but reframe the consultant contract.
6. More committed senior people should at the top management

4. Discussion on Y7 Projected Financials

1. Go for opening of new bank accounts but transfer only monthly advance with settlement as precondition for next advance. Escrow account can be alternative so that there is no issue in managing.
2. Explore the possibilities of securing the e-account transactions.
3. Enterprise based accounting systems with centralized accounting reconciliation should be enabled.
4. Policy to determine the net worth can also be based future revenue which is calculated based on NPV – credibility to the same is most important. But back it up with the solid data to convince those figures will be realized. So get the market side clear before end up marketing these should be reflected in the projections including costs.

5. Proposed Budget Process and Expected Budget for Y8

Agenda not taken up for discussion.

6. Approval of Mr. Sasanka as Odisha Unit Head and Authorization for Bank Account Operation of Odisha Unit to Mr. Sasnaka.

Mr. Sasanka Sekhar Singh has been approved to be Head, ALC India, Odisha Unit.

7. Review Progress of Unit- Progress of Odisha Unit Y7

Agenda not taken up for discussion.

8. Review Progress of Large Projects (SFAC, NABARD, Ford Foundation and Rabobank Foundation.

1. Some allocations can be done generically in to projects which have high revenue.
2. Travel advance settlement has to happen regularly. No additional travel advance should be allocated to the person.
3. Log sheets are helping to maintain the transparency in project accounting and avoiding overbooking the time of particular person in to the project.
4. Enthuse governance and staff to work for economically marginalized through orientation to the mission. Succession Plan is relevant for the projects.

9. Consider Expansion of the Board of Directors

1. Prof. K V Raju and Mr. Andy Bhanot are approved to be independent directors.

10. Consider Equity Strengthening Plan

1. To be clear that we are selling knowledge and expertise and not our capacity to raise resources to service the project.

2. Ask for mobilization of funds and give all the guarantees like – project based funding, regular audits at short notice and other things but no funds for the project.

11. Any Other with the permission of Chairperson

1. File RTI for not releasing the money – show the notings of the files especially related to the basis of deduction.
2. ALC India and Chitrika can work together operationally however merging has to be postponed.
3. Look at possibility of adding one more day to IRMA's International Conference of Cooperatives. Otherwise, set a deadline in February 2012 and complete the work. Explore with Ms. Devika Jain, Dr. Y. V. Reddy and Rabobank Foundation for the same.
4. Group Orientation for Access Livelihoods Group is not required right now.
5. Attendance and other mechanisms are important for majority of people but it is not important. Exceptions can be created for people who are exceedingly well.
6. All board communication must be undersigned by the CEO before being sent.
7. Since Mr. Madhusudana Rao wants to be a part of operations at ALC India, he cannot be an independent director and decision was left to him to be a shareholder

Signatures:

1	Mr. Vinod Reddy	
2	Mr. GV Krishnagopal	
3	Mr. G Satyadeva Prasad	
4	Mr. N Madhu Murthy	
5	Mr. GV Sarat Kumar	
6	Mr. V Madhusudana Rao	

Minutes of Board Meeting
FY 7 Q4 Meeting held on 30th April 2012

Present -

1. Prof KV Raju, Institute of Rural Management
2. GV Krishnagopal, Director, ALC India
3. G Satya Deva Prasad, Director, ALC India
4. N Madhu Murthy, Director, ALC India
5. GV Sarat Kumar, Director, ALC India

Absent with Permission -

1. Mr Vinod Reddy, Chairperson - Independent Director, ALC India
 2. Mr Andy Bhanot, Chief Executive Officer, WESTAT - India
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Major Decisions as per Board Agenda Wise -

FY7/Q4/2: Action on FY7Q3 & FY7Q2 Board Meeting Decisions

1. It was decided that the CEO has to ensure 100% compliance of all pending decisions that have emerged in the previous board meetings. Some of suggestions to cover the backlog in implementation of decisions is given below -
 - a. **Organization Climate Survey Formats** available in the internet which can formally be taken once in six months. However, feedback on organization climate should be taken both formally and informally.
 - b. In the action taken report just mentioning not done or done is not enough but some explanation should also be given in the report.
 - c. **Mentorship Organization Wide** - both formal and informal should be available - enlist the people for each individual or give choice of four to five people with their numbers so that they need not be forced to take up issues.
 - d. **Improve visibility of the organizations** - Representation of organization in forums and meeting do we decide on who will represent on the organization on case by case.
 - e. **Salary Cap** - Development Consulting Organizations, Donor Organizations and Bankers can be considered as benchmark organizations against whom we can think of fixing ALC India pay package. However, while keeping in view these organizations, the ratio of highest to lowest among well qualified professionals shall

not exceed 1:4 and between lowest level person and highest level the difference shall not be more than 1:12. The minimum remuneration of the lowest levels needs to be fixed so that ALC India becomes attractive in terms of remuneration and pay although there are no benchmarks in the industry.

- f. **Consultant Compensation** - Should have 65 to 35 as fixed to variable pay. The terms for Variable Pay should be evolved but some of the points to be considered are -
 - i. Incentives should be shared for over and above the minimum revenue and business generation which will take care of payments.
 - ii. Also incentives should be as % on net revenue earned by the organization.
 - iii. Variable pay should be applicable for people beyond 3 years period.
 - iv. Communication of the variable pay should be done at the earliest especially to the senior people.
 - v. **Incentives - rewards** - always related to the outputs and outcomes while performance measurement will be related to input - process and output indicators.
 - vi. **Align individual, teams and organizational performance and incentives** - through thinking at various levels what has its implication on the delivery
- g. **For managing working capital** -
 - i. **1 to 2%** incentive may be given to clients who are willing to give 80% of total project budget as advance on the projects.
 - ii. **100% advance** for small projects where clients are familiar.
 - iii. **Obtain advance on** reimbursable expenses also so that the delays in the payment can be reduced.
- h. **Separate bank accounts** for each project are not required right now as it will impact the cash flows of the organizations. Separate accounts will not allow the balancing cash flow differences in various projects.
- i. **Negotiate projects** with a clause that time overruns if ascertained that is also due to clients there should be revision of the costs.
- j. **Valuation & Net Worth of Company** to be calculated with the help of Company Secretary and Chartered Accountant at the earliest.

FY7/Q4/3: Consider Progress Reports of FY 2011 - 12

1. Board Reports and Decision Making Capacity -

- a. **Evert year in the April Board Meeting** -provisional statements/reports need to be presented to the Board of Directors while the final reports can be shared in the General Body meeting.
- b. **Specialized business development** for large projects should be done in collaboration and also the attempts on the business development should not be overlooked just because the current business outlook is good with already large is comfort in the business available with us.
- c. **Organizational collaboration** - should be approved by board of directors. Decisions on governance.

2. **Organizational Finances**

- a. **Investment** - 1% of total projected revenue can be placed for the same - Rs 3.5 lakhs. However proposals shall come back to the Board of Directors for the same before the actual expenditure.
- b. **Revenue realization in ongoing projects** should be in proportion to actual to potential expenditure.

3. **HR Reports and Issues -**

- a. **Requirements of HR** - Fill Senior Executives, Executives and Senior Consultants to fill the gap. Critical HR at Director level 2 people in to the organization
- b. **Team for HR** - Good team for HR issues needs to be placed. The team should constantly identify the issues as well as capacity enhancement needs to prepare sufficient plans to improve skills and develop cohesiveness.
- c. **Responsible Leaving** - Open disclosure of the future plans is very important to ensure that at least there is responsible leaving
- d. **Leadership Empowerment Assessment tools** are useful for assessment. This framework - Interpersonal, Task Delivery Maturity, Ethical Integrity - **Managerial Style Assessment Report** can be used for determine what should be the leadership group. Assessment tools to be used in office for reflection
- e. **Recruitment Process** should be able to clearly assess commitment to cause, sectoral knowledge, and time horizon of engagement of individual to conclude on final selection.

4. **Performance Reports -**

- a. **Regular Project Quality Reports** should capture the change being contributed to the client (both organization and economically marginalized communities). Such reflections are important.

- b. Regular review on outcomes and impacts is important to kindle thinking among managers on the ultimate goals of ALC India. So things like Mission Compliance reports are critical.