



Access livelihoods Consulting India Private Limited

Minutes of the Special Board of Directors Meeting 2012 – 2013

1. Board Minutes - 20th Jul 2012
2. Board Minutes - 9th Oct 2012
3. Board Minutes - 9th Jan 2013

ACCESS LIVELIHOODS CONSULTING INDIA PVT. LTD.

Y8Q1 BOARD MEETING

held on

FRIDAY, 20th July, 2012 10:00 AM TO 2.00 PM

At

**The Registered Office of the Company,
ALC India, Secunderabad**

Minutes of Meeting

Presence –

Mr Vinod Reddy, Chairperson and Independent Director, ALC India
Mr KV Raju, Independent Director, ALC India
Mr G Satyadev, Director, ALC India
Mr N Madhu Murthy, Director, ALC India
Mr GV Sarat Kumar, Director, ALC India
Mr GV Krishnagopal, Director and CEO, ALC India

Minutes –

1. **Y8/Q1/1** – Board approved the minutes of previous board meeting
2. **Y8/Q1/2** – Action taken on Y7/Q4 Board Meeting decisions – Board expressed happiness with relation to compliance of the decisions and also progress achieved. However, it is noticed that relatively simple things have not been complied with like writing off the bad debt which could be done in very short time. Such things could be overcome from the next board meeting.
3. **Y8/Q1/3 – Progress Reports Q1 FY 2012 – 13** - Board expressed happiness with regards to the progress achieved in the organization during the first quarter. Board appreciated the progress achieved in business development of indirect outreach in the first quarter. Two decisions that emerged from the discussions are -
 - a. To strengthen project management systems so as to ensure quality of delivery does not deteriorate as there is expansion of projects and human resources.
 - b. To improve the accuracy of data being shared - there is the need for definitive coordination between Project Management and Finance team to understand the actual progress, revenue realization and to keep track of the projects.
 - c. Special efforts should be made to make the RABO Bank Foundation project in fast track. The delay in early stages should be overcome in future.
4. **Y8/Q1/4 – ALC India Q1 Financial Statements** - Board noticed that there are still some improvements required in the way work in progress is reported in the financial statements. Similarly, quarterly revenue realizations also have to be improved so as to ensure ALC India profitability every quarter.
 - a. Realistic PFMIS and Cash Flows statements with weekly projections for the next three months and then monthly for the next year should be done and kept ready for the Board of Directors regular review.
 - b. Cash flows statements have to be rigorously prepared
 - c. TDS payment has to be done regularly. If there is shortage the idea should be only part payment of salaries have to be done and an appropriate amount for

TDS has to be paid rather than honouring full salary payment and ignoring TDS payment.

5. **Y8/Q1/5 - Review Odhisa Unit progress Y8/Q1** - Following are the key decisions taken after review of the progress achieved by Odhisa Unit.
 - a. Unit Head is suggested prepare a separate action plan for meeting the commitments lay down under the Ford Foundation Agreement. It should be periodically reviewed by the Central Office.
 - b. Unit Head also needs to prepare business plan of Unit and finalize source of finance for the projected investment of Rs 11 Lakhs for Odhisa Unit. Time line for the requirement of funds also needs to be developed.
 - c. Central Office Directors need to invest more time in mentorship of key team members (Mr Naveen Kumar Singh, Mr Goutam Kumar Vikhayat and Mr Pradeep Kumar Hial and Mr Ambarish Paikaray). Similarly time needs to be invested in mentoring community enterprise development and operational aspects as required.
 - d. Independent advisory board can be constituted for the Unit to support their development and to better understand the local conditions. It is also important to include a retired bureaucrat in the advisory board.
 - e. Develop independent communication material and rename the Unit as Access Tribal Livelihood Services (a unit of ALC India Pvt. Ltd.). This will provide definite impetus to the entire work and also create sufficient visibility for the same.
 - f. Fix periodicity of revisiting the strategic orientation documents of Access Tribal Livelihoods Services Unit and revisit the same.
 - g. Reporting to the Board from next time should be on two important dimensions - performance of long term projects and progress of Unit against the agreed projections. Similarly, quarterly projections of the revenue and financial statements should be presented to the Board of Directors.
 - h. Draw out a Unit Development Design Document for future use on how Units need to be developed within ALC India.
6. **Y8/Q1/6 - Annual Performance Report** - Board appreciated the comprehensive rating system and also for adopting new balance score card method for assessing the performance.
7. **Y8/Q1/7 - ALC India Policy and Practice Documents** - Board approved the annual policy and practice documents of ALC India.
8. **Y8/Q1/8 - ALC India Annual Target Plan** - Board approved annual target plan FY 2012 - 13 of ALC India
9. **Y8/Q1/9 - ALC India Draft Annual Report** - Board approved draft annual report FY 2011 - 12 and suggested to quickly finalize the final annual report for FY 2011 - 12
10. **Y8/Q1/10 - ALC India Fellowships** -
 - a. ALC India should undertake a review of reason for extending fellowships to assess and understand overall mission linkage - Social Entrepreneurship Fellowship was originally conceptualized as support to well qualified professionals intending to initiate their own social enterprise addressing the needs of economically marginalized. Reasons for supporting fellowship should be to encourage innovation and diversity in approaches to address the needs of economically marginalized. Based on the review Board of Directors would like to consider extension of future fellowships.
 - b. Partnership with Rotary or any other partnering agency - consortium to support to extend funding requirement of fellowship should be explored.

- c. ALC India should see itself as bridge for finance and technical support to the fellows in pursuit of their own agenda within the space of sustainable economic development for marginalized. Look at supporting the venture rather than supporting individual itself. Support voluntarily the growth of the enterprise. Voluntary time can be tied up to extend techno-managerial support for supporting development of the unit.
- d. ALC India should think of integrating the knowledge generated by fellows with its staff through sharing of articles, syndicated workshops and other things.
- e. Also from ALC India there should be regular review every three months of the fellow's progress.
- f. Board also decided to go ahead with one fellowship - organic farmers venture.

11. Y8/Q1/11 - National Skill Development Corporation Proposal and Current Status -

- a. Repayment of NSDC Loan will have inherent risk of shaping relation with the cooperatives/producer companies being promoted for self employed farmers. This is important as revenue generated from producer companies are to be ploughed back for repayment of NSDC loans.
- b. Further calculations, analysis and debate should happen on NSDC loan repayment capacity of ALC India.
- c. A study on the models of how capital has been mobilized from members by established dairies like Vishaka Dairy has to be taken up. This will help in analysing the possibility of capital investment replacement structuring. Adequate capital infusion by members through different means needs to be more seriously considered as one of the strategic options where in even if the business of producer companies or cooperatives does not stabilize also their repayment to ALC India does not get affected.
- d. Plan for raising equity has to be put in place - some efforts needs to begin on the same.

12. Y8/Q1/12 - ALC India Finances - FPCs finance requirement -

- a. Major loan proposals need to be shared with Board of Directors and discussed among the senior management team with great details before it is taken forward.
- b. Capital Investment in the processing unit is more attractive for the bank finance as the machinery and infrastructure stand as collateral.
- c. Working Capital assessment has to be more rigorous so as to be more conservative

13. Y8/Q1/13 - Share Holding Allocation -

- a. Allocation of shares to the Active Consultants can be done at reasonable price. Currently Rs 40,000 and Rs 25,000 to Ms Taru Paliwal and Mr Sasanka Singh respectively are approved to be allocated by the Board of Directors.
- b. Irrespective of share holding ensure that all the Board of Directors have only one vote in decision making. - Share Holding agreement enforceable in law - vote together and if there is a difference in opinion - this needs to be structured before equity flows in to the company.

14. Y8/Q1/14 - Social IPO

- a. Research required on feasibility of Social IPO. A proposal for the same should be prepared and circulated at the earliest for consideration of Board. Based on the results of research on Social IPO further action can be initiated.
- b. Simultaneously ALC India should think of ways to raise emotional appeal for the cause it is working for. Similarly, there needs to be good research on what

strong messages are required to raise resource. What are the social causes on which the appeal can be launched should be reflected upon.

- c. Similarly the research should also answer how to protect the mission/purpose of the organization when many share holders to gain control through share holding?

15. Y8/Q1/15 - Holding Company of Access Livelihoods Group

- a. Explore and design the holding company and go ahead establish the same
- b. Registration of Access Livelihoods Development Finance Public Limited as a separate unit is approved.
 - i. Register a Public Limited Company with Producer Stock Option, Employee Stock Option, and others so that the risk of financial activities does not fall on ALC India's current business.
 - ii. Possibility of placing NSDC loan in the newly developed company which will act as special purpose vehicle should be explored. And if possible by the time NSDC loan is realized the arrangements for the company have to be done.
 - iii. ALC India will get its share in the form of sweat equity and brand value. These needs to be capitalized with the suggestions from the Chartered Accountant so that the interests of ALC India or its holding company is protected.
- c. **Chitrika - Artisan Development Foundation** was considered for strategic partnership and Board has taken a positive opinion on the same looking at the mutual benefit that is likely to accrue to both the organizations. Hence forthe, Chitrika will be considered to be part of the Access Livelihoods Group and appropriate share holding in the Holding Company. It will be useful to have one of the Director of ALC India to be on the board of Chitrika - ADF subject to their consideration and approval. Also possibility of using the name Chitrika - Access Artisan Livelihoods Foundation should be explored. Use of common brand name AIKYA should also be explored. Chitrika - AALF can also consider using ALC India for generating and routing all its consulting assignments preserving the nature of grant oriented foundation for itself. Appropriate arrangements for sharing the margins, grants and donation from ALC India may accordingly be worked out.
- d. **Access Tourism Livelihoods** as a separate unit might be considered in future. Based on Boards earlier view that all units need sufficient projects (worth Rs 1 Crore), investment (at least Rs 30 Lakhs) and suitable entrepreneur for launch, similar conditions shall apply for Access Tourism Livelihoods. Meanwhile, ALC India may raise sufficient projects and also opportunities to obtain the projects.

16. Y8/Q1/16 - Transition for Critical Positions -

- a. Currently only CEO Replacement has been considered and the Board felt that the following conditions of the organization has to be improved - and it is imperative that unless ALC India is financially secure and HR is stabilized a consideration on replacement of CEO will not be taken up.
 - i. Stable financial results is important with 3 months salaries being available with ALC India
 - ii. Stable HR is prerequisite

17. Y8/Q1/16 - Consider inclusion of New Board of Directors - Differed for some more time.

18. Y8/Q1/17 - Any other with the permission of Chairperson -

- a. Chairperson suggested ALC India to identify a third person to work on the blind spots of ALC India HR Practices and issues of consultants (could be mix of counselling, identifying issues, resolving them, assessing styles of the management, reporting officer nature). The person should be identified before the next board meeting.

Minutes of Board Meeting Y8Q2 (Dated – 9th Oct 2012)

1. Statutory payments have to be taken more seriously by the Chief Executive Officer. Currently, service tax and tax deducted at source have not been remitted in time. Immediate implementation of suggestions of Board previously given has to be taken up. All payments for the same have to be remitted in separate bank account and accordingly payment made.
2. ALC India will currently not promote any holding company. Right now cross share holding of different companies will be encouraged. And as the working relationship develops the group company can be conceptualized once there is clarity on the following issues among the collaborating partners.
 1. Compelling vision for collaboration and working together
 2. Possibility of loosely held autonomous bodies and coalition should be explored as design
 3. For ATLS, ALC India should be given the promoting status and has a minimum of 51% holding while the rest may be shared among the local promoters. With a possibility of reducing the holding as and when there are local people identified to manage and govern the entity.
 4. In case of Access Livelihoods Development Finance Public Limited - ALC India will be a promoter and will hold majority stake.
3. **Project Relation Between Units** – Look at developing a system which is more clearly established through a written contract. Central office should continue to hold the responsibility of Monitoring & Evaluation of the program progress being achieved. *Clear Contracts have to be developed and engaged with ATLS on all projects which are drawn between.*
4. **Access Livelihoods Development Finance Public Limited:**
 1. Skill development investments should be sufficiently followed up with enterprise investments for processing, storage and value addition.
 2. Looking at the current total commitments of the projects already signed ALDF should aim at generating at least Rs 200 - 250 Crore fund base in the next 5 to 7 years.
 3. For extending loans and capital to the FPCs and other PCs which ALC India will promote a contract with the enterprise for repayment shall have to be made. Sometimes even management of enterprise can be taken up to ensure the safety of funds being invested.
5. **HRM Related Issues:**
 1. Performance matrix should be constantly evolved keeping in view the current context of the organization. For example for next year business development target may not be so critical as much as timely deliver.
 2. Those people who have been with the organization for 2 to 3 years should be assessed on their intentions and alignment to organizational purpose and a separate training to nurture them should be undertaken.
 3. Both formal and informal communication to the consultants to build the positive impressions on the consultants should be undertaken.
 4. Benchmarking remunerations and facilities as against what the marginalised producers are today getting should be something attempted at.

6. Governance:

1. Opportunity costs of contribution of professionals should be calculated and articulated well in the reports.
2. A separate governing board and executive board can be conceptualized and presented in the next board meeting to ensure that the boundaries of operations and governance is more clearly articulated and the tendency to combine governance decisions with operational ones are reduced.

7. Equity:

1. Evolve clear exit options for those who are bringing in private investments along with meaningful returns in terms of dividend.

Access Livelihoods Consulting India Private Limited

Minutes of Board Meeting – FY 8 – Q3
(held on 8th and 9th Jan 2013)

Present –

- a. Mr Vinod Reddy, Chairperson and Independent Director
- b. Prof KV Raju, Independent Director
- c. GV Krishnagopal, Director and Chief Executive Officer
- d. Mr N Madhu Murthy, Director and Program Director – Direct Outreach
- e. Mr GV Sarat Kumar, Director and Program Director – Indirect Outreach

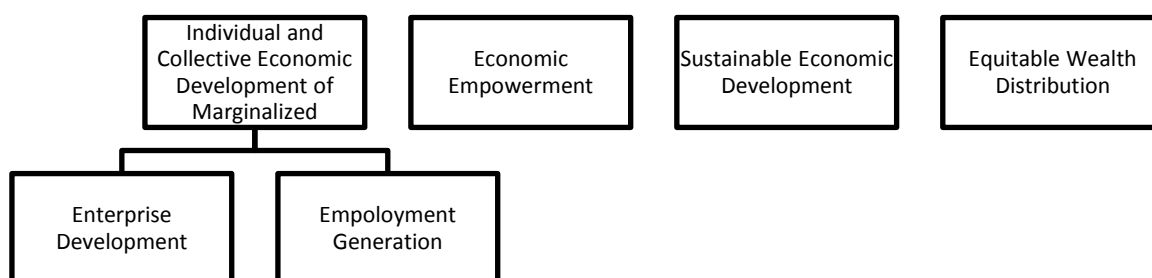
Absence –

- a. Mr G Satyadev, Director

Decisions Taken –

A. Decisions from Reflections on Ends and Means of ALC India

- 1. **Overall Goal of ALC India** – Individual and Collective Economic Development of Marginalized in India
- 2. **Key Results of ALC India** – Improved Net Worth, Increased Income, Decreased Expenditure, Decreased Risk, Improved Productivity, Increase Employment Days
- 3. **Key Outcomes** – Enterprise Development and Employment Generation for Marginalized
- 4. **Key Focus** is in impacting household economics of marginalized
- 5. **Key Quality Indicators** – Economic Growth and Development, Equitable Wealth Distribution and Economic Empowerment



6. Sustainable Livelihoods of Marginalized (individual and collective economic development of marginalized)

Individual and Collective Economic Development of Marginalized	
Outcome 1 - Enterprise Development	Outcome 2 - Employment Generation
Quality Parameter 1 - Equitable Wealth Distribution	
Quality Parameter 2 - Sustainable Economic Development	
Quality Parameter 3 - Economic Empowerment	

7. Redrafted ALC India's Mission is *"to enable equitable and sustainable economic development for marginalized by provision of professional services to individuals and collectives/organizations/institutions. It will ensure that the marginalized are recognized as active contributors to growing economy and enable equitable share of wealth gets generated and distributed in favour of them."*
8. **Prototyping Work with Communities** - Initiative projects both in direct and indirect outreach which are more like action research oriented to design and develop our intervention models needs to be undertaken.

B. Review of Board Meeting Notes and Decisions

1. Conduct a review of **NSDC Agreement** and develop a short note from this agreement on the following -
 - a. Identification of all trigger points which requires reporting to NSDC or approval of NSDC
 - b. Get the agreement reviewed by legal consultant to understand the implications for ALC India and all its Directors
 - c. Understand reporting requirements
2. Service Tax payment has to be streamlined. And separate accounts needs to be maintained for the same. Performa invoice should be raised and followed up with the clients so that there is no implication on the service tax payment. Also under the negative list "Agri Business Management" has been exempted. So we need to check whether ALC India is eligible for exemption as most projects are related to Agri-Business.
3. In the ensuing Board Meeting the following things can be presented -
 - a. Investment capital required for ALC India keeping the current and future expansion in view.
 - b. Design features of ALC India in a separate 7 to 8 pages to be understood and visualized by everyone.
 - c. Nature of support to Units - Rs 10 - 15 lakhs can be upfront support with conditions on the expectations.
4. **ALC India Social IPO** -
 - a. Advertise that we require Rs 4 Crores and 400 people required to make this happen. First phase - Rs 1.5 Crores - 150 people
 - b. If the target is not met then there should be clear mention what will be the implication. Like whether resources will be accepted or not?
 - c. Collection period is short - subscription period should be specified in the promotion material.
 - d. Commitments available needs to be shared - NSDC loan Rs 15.5 Crore, Order Book - Rs 15 Crores, Group Companies - Expansion Model

- e. Whether NSDC will accept Preference Shares with lock in period as the equity has to be verified as per the agreement?
- f. Minimum target amount has to be specified in the communication material
- g. Preference Shares - for Social IPO has to be structured with the Chartered Accountant

5. Project Portfolio -

- a. Government portfolio of work should be there to create visibility, scale and also to mobilize resources from Government Programs.
- b. Balance of the projects on private resources has to be taken up to maintain cash flow balance.

6. Data Management - Fully computerized system to gather - program progress and finance data is available for everyone - Rs 10 Lakhs investment required

7. FEP Program -

- a. Design of the FPOs along with the physical infrastructure has to be in place by Jan 31st, 2013
- b. Project Office level financial management systems should be in place.
- c. Highly qualified professional in each project location has to be identified and placed on priority. Otherwise, business plan and base lines will not be useful to the community for whom they have been prepared.
- d. Shadnagar FEP - A letter can be sent to the Commissioner and a personal discussion on the status and future of FEP Program can be done.

8. Projects Management in Direct & Indirect -

- a. Pull the plug at the end of the budget availability otherwise, ALC India cannot afford to keep financing further.

9. Management Committee for ALC India is approved to be formulated -

- a. 6 Member Committee Constituted of - Ms Prativa Sundaray, Mr Sasanka Singh, Ms Vijaya Switha Grandhi, Mr N Madhu Murthy, Mr GV Sarat Kumar and Mr GV Krishnagopal

b. Expected Functions and Roles -

- i. Pre Board Meeting review of all the notes being submitted also they need to vet the data being presented for accuracy.
- ii. Functions - review all the data and generate alternate solutions for the current problems of ALC India to be presented for the Board of Directors for consideration.
- iii. Review financial audit reports and present key points to the Board of Directors
- iv. Review management and governance audit reports and present key action points to Board of Directors
- v. Review Annual Policy and Practice Documents and present for consideration of the Board of Directors
- vi. Review Annual Plans and present the same for consideration to the Board of Directors
- vii. Review ALC India Performance Reports and present key emerging trends and analysis to the Board of Directors
- viii. Review and decide on the Large Projects of sizes more than Rs 1 Crore before acceptance is conveyed to the clients
- ix. Review and decide on the proposal received for financing ALC India as per the policy norms set by Board of Directors.
- x. Identification of strategic issues affecting ALC India and brainstorming on solutions to be referred to Board of Directors
- xi. Any other as delegated by Board of Directors from time to time.

- c. Meet at least once in 3 months before the Board Meeting. However, additional meeting on mutual consensus can be done based on the requirement.
- d. The Chairperson and Convenor of the Management Committee is Chief Executive Officer of ALC India
- e. Chief Executive Officer is the sole representative in the Board of Directors and will act as a bridge between Management Committee and Board of Directors.

10. Expansion of Board of Directors -

- a. In the coming months as the system of management committee stabilizes the Board of Directors reorganized. New Board of Directors can be invited to join and represent wider stakeholders of ALC India. By July 2013, new Board of Directors can be put in place.

C. Design of Access Livelihoods Group -

1. Schedule Recommended for 5th and 6th Feb 2013
 - a. Expectations from Potential Partners
 - b. Expectations of ALC India
 - c. Discussion on the Design of Access Livelihoods Group
 - d. Discussion on Ends, Means and Values
2. A note on Design - 6 page
3. Design Philosophy -
 - a. Science + Research + Policy = Focus
 - b. Focus on livelihoods and prioritized communities of ALC India - significantly accounting for more than 60% work
 - c. Code of conduct - Values - of ALC India
 - d. Entry
 - i. Membership is agreed by the existing members
 - e. Exit criteria
 - i. Not adhering to design
 - ii. Not following the values
 - iii. Not meeting certification and accreditation requirements
 - f. Resources -
 - i. Human resource - Professional resources - Advisors + Board Members + Consultants + Volunteers + Interns
 - ii. Financial resource - Grant + Debt + Equity
 - iii. Limited returns on contributions
 - iv. Integrated support services
4. Implementation Arrangement -
 - g. ALC India - Leadership role
 - h. ALC India - brand
 - i. Certification and accreditation process
 - j. Group of institutions - knowledge, finance, human resource