

**Minutes of the 1<sup>st</sup> Monthly Management Review Meeting held on Monday, 15<sup>th</sup> April 2019 at 9.00 a.m. at Muscat Hall, AHEC HO, Wadi Kabir**

List of Participants (LoP): Please see Page No.4

Sl. No.	Item Description	Action By & When
1.	Objective of the meeting: To strengthen the team work so as to ensure achievement of budgeted targets i.e. Turnover, GP and OP	All Participants
2.	<p>HSE:</p> <ul style="list-style-type: none"> <li>a) Safety Moment – Make employees aware of hazards during heavy rain-storm &amp; avoid Wadi crossing, short-circuit, etc. HSE to cascade.</li> <li>b) Sickness/Absentee – Data being taken by HSE from Company Clinic doctors. HR to study the Sickness/Absentee trend to see any abnormality&amp; take corrective actions wherever required.</li> </ul>	HR
3.	CEO briefed about the restructuring issues with the stakeholders. He conveyed that discussions are ongoing & some way-forward is expected in coming months to get relief from the present critical financial situation.	For info.
4.	Mr. Murtadha Mohsin informed about the positive feed-back received from CMA/MSM after disclosure of Q1 Financials. CEO advised to arrange a courtesy meeting with Mr Mohammed Al Abri, DG, CMA. BoD desire to visit one of the project site & conduct BoD Meeting there. CEO advised MMA to get the suitable date for the visit from BoD.	MMA
5.	<p>Head-PC presented the running projects status update:</p> <ul style="list-style-type: none"> <li>a) LIWA : Revised Cumulative Progress Planned: 76.3% Vs. Achieved 73.5%. Variance of 2.8% can be recovered if timely funding is available. Incentive scheme for LIWA project employees approved by CEO, which will help in timely completion.</li> <li>b) Haima West Power Proj: Cumulative Progress Planned: 24.8% Vs. Achieved 21.5%. Variance of 3%. To mitigate the delay, additional sub-contractors being mobilized at site on multiple fronts, material delivery being expedited, etc. Engineering input delays from Worley Parsons hitting the schedule. Discussions ongoing with WP for mitigation. Penalty Risk of RO 300K from PDO exists if project delayed.</li> <li>c) SLPG: Cumulative Progress Planned: 42.2% Vs. Achieved 22.2%. Variance of 20%. Situation of SLPG project needs special focus, as PTD Value of Work Done (VOWD) is RO 2.28m against the PTD cost incurred of RO 2.7M, there is a gap of approx. RO 500K. It requires special attention. Immediate fund requirement is RO 300K to ramp-up. Trend expected to change by Aug, 19. Revised completion plan under review by Petrofac. Client may agree to 1</li> </ul>	<p>For Info.</p> <p>Head-PC/ GM-P</p>

	month EoT. Head-PC to organize site visit of CEO before end APR 19 to review the project.	
6.	<p>HR&amp;A: Employees statistics were presented.</p> <p>a) Current Omanisation is 22% this is below the current requirement of 30%. Hence, there is block on new visas. To mitigate company has hired 1000 3rd party visa employees. To remove block and recruit, AHEC needs to first recruit 200 nationals and then submit Omanisation plan. Further, other reasons for block such as PASI payment, visa renewals, Vehicle renewals etc. needs to be resolved. Cost of hiring 3<sup>rd</sup> party worker is RO 85/- per person per month. Despite this in terms of cost benefit it is more economical to hire 3<sup>rd</sup> party.</p> <p>b) CEO raised concern that Omanis are under-utilized in their jobs. HR to seriously look into the situation to make sure they are fully utilized, complaint from site based employees that even the jobs they can do are not being given to them. HR to visit each site &amp; with PM to engage with the existing Omanis to see how they can be fully utilized in projects</p> <p>c) Idle Omanis → 32 Nos. at the end of last month to be deployed ASAP wherever possible</p> <p>d) Demobilization of manpower would start in LIWA CCJV shortly. HR to agree with Head-PC to finalize the Demob Plan &amp; to see how Omanis can be utilized in other projects.</p> <p>e) A separate meeting on the subject shall be arranged with CEO, HR and Projects</p>	<p>For Info.</p> <p>GM-HR &amp;SS</p> <p>MGR-HR</p> <p>Head-PC / HR</p> <p>Gulzar</p>
7.	<p>IT Dept: ERP Update presented by Head-IT. Preliminary estimates suggests overall investment of RO 450K. Initial investment required RO 200K. Budget in principle approved in 2019 RO 400K.</p> <p>CEO informed that VC BoD had asked for clarifications/additional review. CEO advised Head-IT to revert to VC with all the relevant inputs and clarify the points raised as per action list on ERP and confirm to CEO.</p>	Head-IT
8.	<p>Plant Dept: CEO raised concern that there are customer service Issues: Manager P &amp; E explained that there are funding issues to support timely repair and maintenance. Another concern was that of attitude and lack of communication. P &amp; E to prepare a Tracking Sheet / Customer Feed-back form for each project to track down-time too for Repair &amp; Maintenance. Plant Dept to visit all project sites &amp; communicate with PM/SM to improve serviceability of available P&amp;E. Henceforth, P&amp;E performance shall be measured based on input from PMs.</p> <p>Selling of retired &amp; unserviceable P&amp;E worth RO 200K. Approval is pending with Banks &amp; being followed-up. CEO to follow up on the request made to lenders Funds realized would be utilized in buying new P&amp;E.</p>	<p>MGR-Plant</p> <p>CEO</p>
9.	<p>Fabrication Workshop: Losses continued in Q1 2019.</p> <p>Reasons for losses explained as:</p>	

	<p>a) Need for a marketing person b) High cost of accommodation c) Lack of equipment</p> <p>CEO responded that 2 of the 3 issues are within co. control and may be progressed immediately. CEO also asked for a separate meeting next week with CEO / Dr. Feras / Mr. Abbas / Mr. Ahmed / Mr. Balaji to discuss way-forward for Fab Shop.</p> <p>In the meantime efforts are being made to look for a prospective customer for Leasing out / Selling.</p>	<p>Dr. Feras</p> <p>Gulzar</p> <p>MMA</p>
10.	<p>Finance Dept: CFO presented Q1 Financials. A discussion happened on showing PCN/SCN/Plant/Fab Shop as a separate P&amp;L. Non-G&amp;A cost is more than the budgeted in Q1. CEO advised to look into it and to save cost in Q2 on Non-G&amp;A expense head.</p> <p>CEO asked that Fab and P&amp;E must be treated as profit centers to ensure optimum efficiency.</p>	<p>For Info.</p> <p>All Depts.</p> <p>Dr. Feras / CFO</p>
11.	<p>Legal Cases: CEO advised Legal Dept (Mr. Ali Hassan) to ensure all numbers are aligned with previous reports. Legal and Mr. Abbas Muljiani to prepare a comprehensive statement giving details of: Category of Ongoing Legal cases in court. Cases ruled against us and not-paid Cases ruled against us and paid and closed Legal Notices received from parties.</p>	<p>Ali Hassan / AM</p>
12.	<p>Orientation/Induction for new BoD: CEO informed that every Department to prepare a maximum of 5 Slides telling what the department is doing including: Finance, Projects, HR&amp;SS (Plant, Fab, IT), BD &amp; Estimation, QA/QC, HSE, Supply Chain, etc. To submit these Slides to CEO office in a week's time. BoD had decided that one of its member will review procedures and policies for SCM and Projects, the respective department to be available, date and time is awaited from BoD.</p>	<p>All Department Heads</p>
13.	<p>Pre-Reading for BoD and the Audit, Executive &amp; R&amp;N Committees to be made available by the respective Departments within a week's time for the next AC, EC and BoD meetings,</p>	<p>All Department Heads</p>

LIST OF PARTICIPANTS OF THE MONTHLY MANAGEMENT MEETING HELD ON 15  
APRIL 2019 IN MUSCAL HALL, AHEC HO, WADI KABIR

<b>Sl. No.</b>	<b>Name</b>	<b>Designation</b>
1.	Dr. Shawqi Sajwani	CEO
2.	Mr. Murtadha Mohsin Ali	Company Secretary
3.	Mr. Abbas Muljiani	Advisor
4.	Mr. Balaji Mohan	CFO
5.	Mr. Umer Farooq	Head-PC
6.	Mr. P M Mathew	Head-IT
7.	Mr. Premath M.	Manager-HR
8.	Mr. Ali Hussain Balva	Manager-Plant
9.	Mr. Rasiq K S	Manager-HSE
10.	Mr. Ali Hassan	Legal Dept.