MINUTES OF MEETING

Company Name: HONEST STEEL FZCO

Department: Finance & Accounts

Meeting Title: Strategic Accounts Review & Compliance Meeting

Date: October 12, 2026

Time: [10:00 AM – 11:30 AM]

Location: Main Office Conference Room

Chairperson: JAYKUMAR DADLANI

Minutes Prepared By: DORNA

1. ATTENDEES

- **Present:**
    - Mr. Praveen
    - Mr. Jayakrishnan
    - Mr. Dorna
    - Mr. Gireesh
- **Absentees / Apologies:** [N/A]

2. MEETING AGENDAS

1. Stock Arrangement & Inventory Control
2. Internal Audit Framework & Free Zone Compliance
3. Expense Control & Cost Optimization
4. Documentation Control & Audit Readiness

3. DISCUSSION & DECISIONS

Agenda 1: Stock Arrangement & Inventory Management

- **General Discussion:** The team discussed current stock tracking procedures, physical verification schedules, and reconciliation between inventory records and financial ledgers.

- **Suggestion by Mr. Praveen:**
    - Reorganized stock categorization to streamline physical verification and reduce inventory turnover cycle time.
    - Recommended implementing a strict periodic stock audit (monthly/quarterly) and a standardized labeling system to eliminate discrepancies between warehouse count and accounting books.
- **Additional Elaborated Points:**
    - **Deadstock Evaluation:** Agreed to identify slow-moving and obsolete stock to write off or liquidate, freeing up working capital.
    - **Reorder Levels:** Establish automated minimum stock reorder points to prevent both stockouts and excess capital tie-up.

Agenda 2: Internal Audit & Free Zone Compliance

- General Discussion: Reviewed internal controls and audit readiness, acknowledging that as a UAE Free Zone entity, the company falls under the Free Zone tax regime (0% tax rate on qualifying income), making internal governance and audit compliance the primary financial safeguard.
- **Suggestion by Mr. Dorna:**
    - Conduct regular internal audits across all accounting procedures to ensure strict compliance with Free Zone regulatory standards and internal financial policies.
    - Establish an internal audit checklist focusing on transaction verification, revenue recognition, and inter-company transactions to maintain continuous audit readiness.
- **Additional Elaborated Points:**
    - Free Zone Compliance Maintenance: Ensure all substance requirements, qualifying activities documentation, and audited financial statements are kept up to date to preserve Free Zone tax incentives.
    - Risk Assessment & Gap Analysis: Schedule periodic internal review cycles to identify operational gaps, prevent fraudulent activities, and strengthen overall risk management.

Agenda 3: Expense Control & Cost Optimization

- **General Discussion:** Evaluated company operational expenses (OPEX) and identified areas where cost control measures must be enforced immediately.
- **Suggestion by Mr. Jayakrishnan:**
    - Proposed implementing strict pre-approval thresholds for petty cash and operational expenditures, alongside monthly department-wise budget vs. actual variance reporting.
- **Additional Elaborated Points:**
    - **Vendor Contract Review:** Initiate renegotiations for major supplier/vendor contracts to secure volume discounts or better credit terms.
    - **Digital Expense Tracking:** Transition from paper receipt reimbursements to a centralized digital expense approval workflow.

Agenda 4: Documentation Control & Audit Readiness

- **General Discussion:** Emphasized the importance of maintaining proper audit trails, document retention policies, and organized record-keeping for regulatory and financial audits.
- **Suggestion by Mr. Gireesh:**
    - Suggested standardizing the filing structure (both physical and digital) with standardized document naming protocols and establishing controlled access for sensitive financial records.
- **Additional Elaborated Points:**
    - **Document Retention Policy:** Align document retention rules with UAE commercial law and FTA requirements (minimum 7-year retention period for financial records).
    - **Version & Authorization Control:** Enforce dual-authorization/sign-off policies on all major financial documents and journal vouchers.

4. ACTION ITEMS & RESPONSIBILITIES

#	Action Item	Assigned To	Target Completion Date
1	Implement revised stock categorization & schedule monthly count	Mr. Praveen	31/10/2026
2	Finalize corporate tax compliance checklist & related-party documentation	Mr. Dorna	31/10/2026
3	Roll out new expense pre-approval limits & monthly variance template	Mr. Jayakrishnan	31/10/2026
4	Restructure digital document archiving & access permissions	Mr. Gireesh	31/10/2026

5. NEXT MEETING

- **Date:** 13/11/2026
- **Time:** 11:00AM
- **Venue:** Main Office Conference Room

Approved By: Jaykumar Dadlani