



# MONARCH SURVEYORS & ENGINEERING CONSULTANTS LIMITED

(Formerly known as Monarch Surveyors & Engineering Consultants Pvt. Ltd.)

सहसा विदधीत न क्रियामविवेकः परमापदां पदम्

## LOANS, GUARANTEES AND INVESTMENTS POLICY

### Introduction

Monarch Surveyors and Engineering Consultants Limited ("Monarch" or "the Company") may, from time to time, deploy surplus funds, extend financial assistance or provide security in favour of group entities and business partners. **While such transactions can unlock strategic and financial advantages, they are governed by a strict statutory regime** under Sections 185 and 186 of the Companies Act 2013 and by **Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015**, which requires transparent disclosure of exposures in the Corporate-Governance section of the Annual Report. This Loans, Guarantees and Investments Policy ("the Policy") establishes a clear framework to ensure that any loan, guarantee, security or investment extended by Monarch is lawful, within the Board-approved risk appetite and supportive of long-term shareholder value.

### Purpose

The Policy has three objectives: (1) to define the limits within which the Board may authorise financial assistance without recourse to shareholders; (2) to embed procedural safeguards that evidence arm's-length conduct, commercial justification **and robust documentation**; and (3) to prescribe disclosure and monitoring mechanisms so stakeholders remain fully informed of the Company's exposures.

### Scope

The Policy applies to every instance where Monarch proposes to lend monies, provide guarantees or securities, or acquire securities of anybody corporate or person. It covers all subsidiaries, joint ventures, associates and unrelated counterparties, irrespective of jurisdiction. **The Policy does not apply to intra- corporate deposits or loans between wholly owned subsidiaries exempt under Section 186 (11), nor to movements within approved cash-management or pooling arrangements functioning purely as short-term treasury operations.** The Policy also excludes transactions falling within the ordinary course of any banking or financing business that Monarch may undertake and employee loans sanctioned under Company rules.

Monarch House, CTS No 434/1, B T Kawade Road, Ghorpadi, Pune 411 036, Maharashtra. India.

CIN No.: L45203PN1999PLC013830 | D&B D-U-N-S: 91 663 2276

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## Definitions

“Loan” includes loans represented by a book debt; “guarantee” means a contract to perform the obligation of a third person in case of default; and “security” refers to an interest created in property to secure repayment. The expression “whole-time director or managing director” carries the meaning assigned in the Companies Act. Limits **may be defined and /or revised by the Board from time to time and shall be disclosed in the Annual Report.**

## Policy Statement

Monarch shall not, directly or indirectly, advance any loan or give any guarantee or security to its directors or to any person in whom a director is interested except where the transaction falls within Section 185 exemptions **including loans to managing or whole-time directors as part of employment terms or under shareholder-approved schemes.** Where no exemption applies, prior shareholder approval by special resolution is required. For other counterparties, Monarch shall remain within Section 186 limits or seek prior shareholder consent. **All transactions shall be supported by documentation evidencing commercial rationale, risk assessment and compliance with applicable law,** and shall be demonstrably at arm’s length on terms no less favourable than comparable market-based dealings. Transactions not in ordinary course or not at arm’s length face enhanced scrutiny and detailed records.

## Governance

The Board bears ultimate responsibility for compliance and may periodically review anonymised summaries of exposures to validate decision consistency. The Audit Committee reviews each proposal for prudence, creditworthiness, repayment terms, commercial benefit and alignment with risk appetite, and **may obtain external valuation or legal advice for complex or high-value transactions.** The Chief Financial Officer leads due diligence and monitoring; the Company Secretary ensures statutory filings and maintains the Section 186 register.

## Approval Process

Each proposal originates from the sponsoring business unit and must include purpose, amount, tenure, pricing, security, expected returns, **risk rating (low / moderate / high)** and analysis. After Audit- Committee review, the item is placed before the Board for **specific approval omnibus or blanket authorisations are not permitted under Section 186.** The Board minutes shall explicitly record commercial and strategic justification. **Omnibus approvals granted under this Policy are reviewed at least annually and revalidated if necessary. Emergency transactions essential for business continuity may be ratified post-facto at the next Audit-Committee meeting with full justification.** If the proposal exceeds the single-deal ceiling or aggregate cap, the Company Secretary convenes a general meeting to seek shareholder consent.

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## Pricing and Arm's-Length Determination

Interest on loans and guarantee fees shall be **no less than the yield on the Government of India security of corresponding tenor prevailing on the Board-approval date and shall be benchmarked against comparable industry transactions; any deviation is documented with justification.** Guarantee fees **may be tiered based on the counterparty's risk profile**, as recommended by the Finance function and approved by the Audit Committee. Investments are valued using independent appraisals, audited financials or market quotations.

## Monitoring and Reporting

The Finance function maintains a **real-time dashboard** tracking outstanding balances, repayment schedules, covenant compliance, fair-value movements and risk ratings. A **half-yearly statement** of all loans, guarantees and investments is submitted to the Audit Committee. Impairment assessments are performed in line with **Ind AS 109**. The Section 186 register is updated within seven days of each transaction. Disclosures appear in the Board's Report, notes to the financial statements and the Corporate- Governance Report (Schedule V, SEBI LODR).

## Record Retention

Executed agreements, security documents, valuation reports, Board and shareholder resolutions and correspondence are preserved for eight years beyond the date the exposure is extinguished, in accordance with the Archival Policy. **Digital records reside in secure, access-controlled systems with encryption and regular back-ups.**

## Review of the Policy

Given frequent regulatory changes, this Policy shall be reviewed **annually** by the Audit Committee and updated as needed; amendments take effect upon Board approval.

## Effective Date

This Policy takes effect on **April 1, 2026** and supersedes any prior policy governing loans, guarantees and investments.

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