



MONARCH SURVEYORS & ENGINEERING CONSULTANTS LIMITED

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

सहसा विदधीत न क्रियामविवेकः परमापदां पदम्

DIVIDEND DISTRIBUTION POLICY

1. Introduction

Monarch Surveyors and Engineering Consultants Limited ("Monarch" or "the Company") recognises dividend payments as a key driver of shareholder value and market confidence. Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") mandates every listed entity to disclose a Dividend Distribution Policy when declaring dividends on equity shares.

This Policy reflects Monarch's long-term capital-allocation philosophy and should not be construed as a commitment to pay dividends in every financial year. It sets out the guiding principles considered by the Board of Directors when recommending dividend payouts, ensuring transparency, consistency, and a balanced allocation of profits between distribution and retention.

2. Purpose

The purpose of this Policy is to:

- articulate the factors influencing Monarch's dividend decisions;
- provide shareholders clarity on circumstances under which dividends may be paid or deferred; and
- demonstrate a disciplined capital-allocation approach aligned with long-term growth and financial stability.

3. Scope

This Policy applies to dividends declared on the equity share capital of Monarch. It does not cover interim dividends on preference shares, buy-backs, or other forms of capital distribution.

4. Legal and Regulatory Framework

Dividends shall be declared or paid only out of:

- (a) current-year profits after providing for depreciation;
- (b) accumulated profits transferred to free reserves; or
- (c) both,

in accordance with Sections 123 and 124 of the Companies Act, 2013, the Companies (Declaration and Payment of Dividend) Rules, 2014, and the Income-tax Act, 1961. The Company shall also comply with SEBI LODR disclosure requirements and applicable directions or circulars issued by the Reserve Bank of India.

5. Definitions

- **Dividend:** Distribution of a portion of the Company's distributable profits to shareholders in proportion to the paid-up equity shares held.
- **Distributable Profits:** Profits determined after meeting all statutory and contractual obligations, including transfers to reserves and debt-service commitments.
- **Payout Ratio:** Percentage of profit after tax proposed to be distributed as dividend.
- **Skip-Dividend Triggers:** Predefined financial or strategic conditions that justify retention of profits instead of distribution.

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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6. Policy Statement

Subject to applicable law, availability of sufficient distributable reserves, and the factors set out below, the Board of Directors intends to recommend a dividend payout ratio of profit after tax. Dividend decisions shall be made in good faith and in the best interests of the Company and its shareholders.

The Board may recommend a dividend outside the stated range after recording the rationale in the minutes and in the explanatory statement accompanying the resolution. Nothing in this Policy obligates the Board to recommend a dividend in any given year.

7. Factors Governing Dividend Decisions

In arriving at its recommendation, the Board shall consider, inter alia:

- profitability, free cash flow, and availability of distributable reserves based on audited financial statements;
- capital-expenditure plans for ongoing and prospective projects, including inorganic growth;
- leverage metrics such as Net-Debt-to-EBITDA and interest-coverage ratios;
- compliance with financing covenants and credit-rating considerations;
- impact on key financial ratios including ROE and EPS;
- ESG and sustainability-related capital requirements supporting long-term resilience;
- statutory reserve requirements, CSR obligations, and contingencies;
- working-capital requirements arising from receivables, inventory cycles, and tender guarantees;
- macroeconomic outlook and regulatory environment; and
- tax considerations impacting the Company and its shareholders.

8. Skip-Dividend Triggers

The Board may retain the entire distributable surplus and recommend no dividend. The rationale shall be documented in Board minutes and communicated to shareholders. Illustrative triggers include:

- requirement of cash reserves for extraordinary contingencies such as major litigation, force-majeure events, regulatory investigations, sector-wide disruptions, macroeconomic shocks, or pandemic conditions; and
- active consideration of a significant acquisition or investment opportunity.

9. Governance and Approval Process

Dividend proposals originate from the Chief Financial Officer after closure of annual accounts and are reviewed by the Audit Committee for covenant compliance, financial prudence, and consistency with this Policy.

The Board deliberates and, if satisfied, recommends a dividend for shareholder approval at the Annual General Meeting (final dividend) or declares an interim dividend subject to post-facto shareholder intimation. No dividend shall be recommended or declared if any default exists in redemption of debentures, repayment of deposits, or interest thereon, in accordance with Section 123(6) of the Companies Act, 2013. External tax or legal advice may be sought in complex cases.

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10. Mode and Time of Payment

Dividends shall be paid within thirty days of declaration through electronic clearing services, direct credit, NEFT, RTGS, demand drafts, or other permitted modes. Dividend warrants shall be dispatched within the statutory timeline to shareholders who have not opted for electronic credit. Shareholders shall be notified through stock-exchange filings and updates on the Company's website. Unclaimed dividends shall be transferred to the Unpaid Dividend Account and, after seven years, to the Investor Education and Protection Fund.

11. Disclosure

This Policy and each dividend recommendation approved by the Board shall be disclosed on the Company's website and in the Annual Report. Relevant disclosures shall also appear in the Corporate Governance section in accordance with Schedule V of SEBI LODR. Any amendments to this Policy shall be promptly disclosed.

12. Review of the Policy

This Policy shall be reviewed annually by the Audit Committee in line with regulatory changes and business requirements. Amendments shall become effective upon approval by the Board of Directors.

13. Effective Date

This Policy is effective from **1 April 2025** and supersedes any prior policy or guideline relating to dividend distribution.

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