

# ENCOMPASS

To  
**National Stock Exchange of India Limited**  
Listing Compliance Department,  
Exchange Plaza, 5th Floor,  
Plot No. C/1, Block-G,  
Bandra, Kurla Complex, Bandra (E),  
Mumbai-400051

Date:-14<sup>th</sup> May, 2026

**Company Symbol: ENCOMPAS; ISIN: INE433T01015**

Dear Sir/Madam,

**Sub: Monitoring Agency Report for the quarter ended March 31, 2026**

Pursuant to Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), read with Regulation 262 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find enclosed the Monitoring Agency Report issued by CARE Ratings Limited, acting as the Monitoring Agency, for the quarter ended March 31, 2026, pertaining to the utilization of proceeds raised through the Initial Public Offer of the Company.

We request you to kindly take the aforesaid information on record.

Thanking You,  
Yours Faithfully,

For Encompass Design India Limited

Amit Rajendraprasad Dalmia  
Chairman & Managing Director  
DIN: 00210919

Encl: as above

# Monitoring Agency Report



No. CARE/HO/GEN/2026-27/1051

**The Board of Directors**  
**Encompass Design India Limited**  
Virwani Indl Estate, Shop No. A-101,  
Opp. Western Exp Highway, Goregaon (E),  
Mumbai, Maharashtra, India - 400063

May 13, 2026

Dear Sir/Ma'am,

**Monitoring Agency Report for the quarter ended March 31, 2026 - in relation to the Initial Public Offer (IPO) of Encompass Design India Limited ("the Company")**

We write in our capacity of Monitoring Agency for the IPO for the amount aggregating to Rs. 40.21 crore of the Company and refer to our duties cast under 262 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31, 2026, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated November 24, 2025.

Request you to kindly take the same on records.

Thanking you,  
Yours faithfully,

A handwritten signature in black ink, appearing to read "Darshan Shah".

**Darshan Shah**

Assistant Director

[Darshan.shah@careedge.in](mailto:Darshan.shah@careedge.in)

# Monitoring Agency Report

## Report of the Monitoring Agency

Name of the issuer: Encompass Design India Limited

For quarter ended: March 31, 2026

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: No. However, it is noted that as per SEBI (ICDR) Regulations, IPO proceeds that remain unutilized can only be deployed with Scheduled Commercial Banks. Contrary to this requirement, the company had invested partial unutilized proceeds in debt mutual fund schemes and equity arbitrage funds as of December 31, 2026. During the current quarter under reporting, the company has redeemed these investments on multiple dates, with the final redemption completed on February 01, 2026.

(b) Range of Deviation: Not applicable

## Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.



Signature:

Name and designation of the Authorized Signatory: Darshan Shah

Designation of Authorized person/Signing Authority: Assistant Director

**1) Issuer Details:**

Name of the issuer : Encompass Design India Limited  
Name of the promoter : Amit Rajendraprasad Dalmia, Susmita Amit Dalmia, Ruman Kailash Agarwal & Yogendra Vashishta  
Industry/sector to which it belongs : Commercial Services & Supplies - Trading & Distributors

**2) Issue Details**

Issue Period : December 05, 2025, to December 09, 2025  
Type of issue (public/rights) : Initial Public Offer (SME IPO)  
Type of specified securities : Equity Shares  
IPO Grading, if any : Not applicable  
Issue size (in crore) : Rs. 40.21 crore

**3) Details of the arrangement made to ensure the monitoring of issue proceeds:**

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	No	Prospectus, Management Certificate, CA Certificate*, Invoices, Quotation, Sale Deed, TDS Challans, and Bank Statements	<p>There is a delay in utilization towards objects as per the offer document. The company has not obtained requisite approval in this regard.</p> <p>During this quarter, the company has utilized proceeds towards objects as per the Prospectus. However, for Capex, the Company has transferred the funds from its public issue account to its current account, which also has numerous other business transactions. As a result, there was comingling of funds. MA has relied on bank statements, Management Certificate, and CA certificate for monitoring usage of proceeds.</p>	We confirm that the utilization of IPO proceeds during Q4FY26 (quarter ended March 31, 2026) is in line with the objects stated in the Prospectus. During the quarter, the Company has deployed Rs. 11.92 crore towards its stated objects, taking the cumulative utilization to Rs. 35.22 crore as on March 31, 2026. The balance unutilized amount of Rs. 4.99 crore is deployed in Fixed Deposits and Current Account with Union Bank of India, fully compliant with SEBI (ICDR) Regulations. With regards to the comingling observation for the Capex object, we confirm that all payments are traceable to IPO proceeds and are supported by bank statements, sale deed, invoices, quotations and the CA Certificate dated May 11, 2026, from V K Beswal & Associates.
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	Management Certificate, CA Certificate*	No comments	No material deviation has been observed during Q4FY26. The utilization is in accordance with the objects and schedules disclosed in the Prospectus. Accordingly, shareholder approval is not applicable for this quarter.
Whether the means of finance for the disclosed objects of the issue have changed?	No	Management Certificate, CA Certificate*	No comments	No comments. The means of finance have not changed. The Company continues to deploy IPO proceeds as

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
				per the objects disclosed in the Prospectus.
Is there any major deviation observed over the earlier monitoring agency reports?	Yes	Previous Monitoring Agency Report	<p>Previous Monitoring Agency report Dated February 12, 2026, contained deviation reporting over the following factors:</p> <ul style="list-style-type: none"> <li>The company had parked the unutilized proceeds in Debt as well as Equity Mutual Funds and which was contrary to the ICDR Guidelines.</li> <li>Subsequently, in Q4FY26, the company has redeemed these investments on multiple dates, with the final redemption completed on February 01, 2026, and unutilized proceeds are parked in FD and Current Account as on March 31, 2026.</li> </ul>	As noted in the Q3FY26 Monitoring Agency Report, the Company had inadvertently parked unutilized IPO proceeds in debt mutual fund schemes and equity arbitrage funds as an interim measure. Upon receiving communication from the Monitoring Agency, the Company immediately redeemed all such investments and transferred the proceeds to Fixed Deposits with Union Bank of India, completing the final redemption on February 01, 2026. The Company confirms that as on March 31, 2026, all unutilized proceeds are held in Fixed Deposits and Current Account with Union Bank of India, in full compliance with SEBI (ICDR) Regulations.
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not applicable	Management Certificate, CA Certificate*	No comments	No comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Management Certificate, CA Certificate*	No comments	No comments
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Management Certificate, CA Certificate*	No comments	No comments. There are no favorable or unfavorable events that materially affect the viability of the objects of the issue
Is there any other relevant information that may materially affect the decision making of	Yes	Prospectus, Bank Statement, Management Certificate, CA Certificate*	As per the schedule of implementation as mentioned in the Prospectus, there is a	The Company acknowledges the delay in full utilization of proceeds under (a)

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
the investors?			delay in utilization of issue proceeds under objects, namely a. Funding capital expenditure requirements of our company towards purchasing office, interior work and refurbishment' and b. 'Repayment/ prepayment of certain borrowings availed by our company'.	Funding capital expenditure requirements towards purchasing office, interior work and refurbishment (Rs. 0.28 crore remaining), and (b) Repayment/prepayment of certain borrowings (Rs. 0.28 crore remaining, attributable to internal accruals credited to the loan account which were subsequently repaid by the bank on 18.12.2025). The Company is actively working to complete the remaining interior work as per the terms agreed with contractors, and the balance issue-related expense payments will be made upon receipt of invoices from the respective agencies. The Company does not anticipate any material adverse impact on investors on account of these residual balances.

\* Verified from the CA Certificate dated May 11, 2026, from V K Beswal & Associates.

#Where material deviation may be defined to mean:

- a) Deviation in the objects or purposes for which the funds have been raised
- b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of - firm arrangements made
1	Funding capital expenditure requirements of our company towards purchasing office, interior work and refurbishment	Prospectus*, Management Certificate#, CA Certificate <sup>5</sup>	11.48	Not applicable	-	No comments received	No comments received	No comments received
2	To meet working capital requirements of the company	Prospectus*, Management Certificate, CA Certificate <sup>5</sup>	7.29	Not applicable	-	No comments received	No comments received	No comments received
3	Repayment/ prepayment of certain borrowings availed by our company	Prospectus*, Management Certificate, CA Certificate <sup>5</sup>	11.00	Not applicable	-	No comments received	No comments received	No comments received
4	General corporate purpose	Prospectus*, Management Certificate, CA Certificate <sup>5</sup>	5.59	Not applicable	-	No comments received	No comments received	No comments received
5	Issue Related Expenses	Prospectus*, Management Certificate, CA Certificate <sup>5</sup>	4.85	Not applicable	-	No comments received	No comments received	No comments received
<b>Total</b>			<b>40.21</b>					

\*Sourced from Page 99 of the prospectus

<sup>5</sup>Verified from the CA Certificate dated May 11, 2026, from V K Beswal & Associates

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Funding capital expenditure requirements of our company towards purchasing office, interior work and refurbishment	Prospectus*, Management Certificate, CA Certificate**, Current Account Statement, Sale Deed, Quotation, Invoices	11.48	0.00	11.20	11.20	0.28	The company has purchased an office space at Office No. 701, Simba Tower, CTS No. 67/A/1/2, as per the offer document for a purchase consideration of ₹9.79 crore and has spent another ₹1.41 crore for interior work in the same office. The company has paid advance to the tune of 0.22 crore to its vendor against quotation from vendor.	The purchase deed for 701, Simba Tower was executed on January 12, 2026. Interior renovation of the 9th floor office commenced in January 2026. The remaining Rs. 0.28 crore is for interior work to be paid as per contractor milestone terms.	The Company has deployed Rs. 11.20 crore towards capital expenditure as on March 31, 2026. The balance Rs. 0.28 crore will be utilized for pending interior work as per the agreed contractor terms.
2	To meet working capital requirements of the company	Prospectus*, Invoices, Public Issue Account Bank Statement, Management	7.29	3.41	0.34	3.75	3.54	The company has utilized proceeds towards vendor payment under working capital requirement.	The balance amount of Rs. 3.54 crore remains unutilized as the Company has deployed funds as per its working capital requirements. Funds	The balance unutilized amount of Rs. 3.54 crore shall be used as per working capital requirements of

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
		Certificate, CA Certificate**							are being utilized in a phased manner based on operational needs.	the Company as and when needed.
3	Repayment/ prepayment of certain borrowings availed by our company	Prospectus*, Management Certificate, CA Certificate**	11.00	10.72	0.00	10.72	0.28	Nil Utilization during the quarter	The Company had repaid Rs. 10.72 crore towards closure of working capital facilities with Union Bank of India and Bank of Maharashtra. The residual Rs. 0.28 crore is on account of internal accruals credited by customers to the loan account, which was subsequently repaid by the bank on December 18, 2025.	No Due Certificates have been obtained. The residual balance of Rs. 0.28 crore will be utilized as working capital, and the Company has taken the approval of the members in the EGM held on 30th March 2026 for the same.
4	General corporate purpose	Prospectus*, Management Certificate, CA Certificate**	5.59	5.59	0.00	5.59	0.00	Utilization under the object is already completed	NA - Utilization under General Corporate Purpose is fully completed.	NA - Utilization under General Corporate Purpose is fully completed.
5	Issue Related Expenses	Prospectus*, Invoices,	4.85	3.58	0.38	3.97	0.88	The company has utilized proceeds for	Balance of Rs. 0.88 crore is kept in FD as	The Company has taken the

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
		Management Certificate, CA Certificate**, Current Account Statement						the payments of Professional Fees, and TDS.	the issue expense has been rescued.	approval of the members in the EGM held on 30th March 2026 to use this funds as working capital, as the issue expenses have been reduced.
<b>Total</b>			<b>40.21</b>	<b>23.30</b>	<b>11.92</b>	<b>35.22</b>	<b>4.99</b>			

\*Sourced from Page 99 of the prospectus

\*\*Verified from the CA Certificate dated May 11, 2026, from V K Beswal & Associates

(ii) Deployment of unutilized proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (Rs. Crore)	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter (Rs. Crore)
1	Union Bank of India - 319503230005643 (FD)	2.50	04-Apr-2026	-		2.52
2	Union Bank of India - 319503230005644 (FD)	1.04	04-Apr-2026	-		1.05
3	Union Bank of India - 319503230005683 (FD)	0.88	12-Apr-2026	-		0.88
4	Union Bank of India - 319503230005682 (FD)	0.28	11-Apr-2026	-		0.28
	<b>Total Fixed Deposits</b>	<b>4.70</b>				<b>4.73</b>
5	Union Bank of India Current Account*	0.29				0.29
	<b>Total</b>	<b>4.99</b>				<b>5.02</b>

\*The current account reported a closing balance of Rs. 0.33 crore as on March 31, 2026, we have relied on the CA certificate for the verification of unutilized funds.

(iv) Delay in implementation of the object(s)

Objects*	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Funding capital expenditure requirements of our company towards purchasing office, interior work and refurbishment	March 31, 2026	Ongoing	Delay (Actual No. of days unascertainable) ^	The finalisation of the sale/purchase agreement and completion of interior work took longer than initially anticipated. The purchase deed for 701 Simba Tower was signed on January 21, 2026, and possession of the 9th floor office was received on January 1, 2026. Interior work has commenced thereafter, and payments are being made as per progress.	The Company has substantially completed the capital expenditure, with Rs. 11.20 crore deployed as on March 31, 2026, out of the budgeted Rs. 11.48 crore. The balance of Rs. 0.28 crore pertains to ongoing interior work and will be utilized as per the agreed terms with the contractors.
To meet working capital requirements of the company	March 31, 2026	February 12, 2026	No delay	No comments received	No comments received
	March 31, 2027	Ongoing	Not Applicable	No comments received	No comments received
Repayment/ prepayment of certain borrowings availed by our company	March 31, 2026	Ongoing	Delay (Actual No. of days unascertainable) &	Internal accruals of Rs. 0.28 lacs were credited to the loan account by customers. The	The Company has repaid Rs. 10.72 crore against the targeted Rs. 11.00 crore.

Objects*	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
				excess paid amounting to Rs. 0.28 lacs was repaid by the bank on December 18, 2025, resulting in a minor residual balance of Rs. 0.28 crore as on March 31, 2026.	The remaining Rs. 0.28 crore balance is on account of bank-adjusted accruals. Board has given approval to use the balnce 0.28 crore in working capital
General corporate purpose	March 31, 2026	December 30, 2025	No delay	No comments received	No comments received

\*Sourced from Page 100 of the prospectus

^ As per the scheduled implementation timeline mentioned in the Prospectus under the Object 'Funding capital expenditure requirements of our company towards purchasing office, interior work and refurbishment', the company proposed to deploy Rs. 11.48 crore as on March 31, 2026. The company has deployed Rs. 11.20 crore as on March 31, 2026.

& As per the scheduled implementation timeline mentioned in the Prospectus under the Object 'Repayment/ prepayment of certain borrowings availed by our company', the company proposed to deploy Rs.11.00 crore as on March 31, 2026. The company has deployed Rs.10.72 crore as on March 31, 2026.

**5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:**

Sr. No	Item Head <sup>^</sup>	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
<i>Not Applicable as utilization under GCP is already completed in earlier period</i>					

<sup>^</sup> Section from the offer document related to GCP:

*“Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy ₹ 559.02 Lakh towards the general corporate purposes to drive our business growth. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purpose subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:*

- a) funding growth opportunities;*
- b) servicing our repayment obligations (principal and interest) under our existing & future financing arrangements;*
- c) capital expenditure, including towards expansion/development/refurbishment/renovation of our assets;*
- d) working capital;*
- e) meeting expenses incurred by our Company in the ordinary course of business or other uses or contingencies; and/or*
- f) strategic initiatives and*
- g) On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.*

*The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above in any permissible manner. We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Prospectus, shall not exceed 15% of the amount raised by our Company through this Issue or Rs. 10 crores whichever is less.”*

**Disclaimers to MA report:**

a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as “**Monitoring Agency/MA**”). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.

b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditor appointed by the Issuer believed by it to be accurate and reliable.

c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.

d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from statutory auditor, lawyers, chartered engineers or other experts, and relies on in its reports.

e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.