

DUE DILIGENCE CERTIFICATE

Date: September 10, 2026

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Dear Sirs,

Subject: Proposed Initial Public Offering (IPO) of ISSPL Limited (formerly known as "IRCLASS Systems and Solutions Limited" and "IRCLASS Systems and Solutions Private Limited") ("ISSPL" or the "Company" or the "Issuer") comprising of Fresh Issue of upto 25,00,000 equity shares of face value of ₹10 each (the "Equity Shares") at an Issue Price of ₹ [●] per equity share (including Share Premium of ₹ [●] per equity share) for cash, aggregating up to ₹ [●] lakhs (the "Issue")

We, Arihant Capital Markets Limited ("Book Running Lead Manager" or "BRLM"), being duly appointed by the Company to act as the Book Running Lead Manager to the aforesaid Issue, hereby state and confirm as follows:

1. We have examined various documents including those relating to litigation, including commercial disputes and other material while finalising the offer document of the subject issue. ***Complied with and noted for compliance.***
2. On the basis of such examination and the discussions with the Issuer, its directors and other officers, other agencies, and independent verification of the statements concerning the objects of the issue, price justification, contents of the documents and other papers furnished by the issuer, we confirm that:
 - a) the Draft Red Herring Prospectus filed with the Stock Exchange is in conformity with the documents, materials and papers which are material to the issue. ***Complied with and noted for compliance.***
 - b) all material legal requirements relating to the issue as specified by the Board, the Central Government and any other competent authority in this behalf have been duly complied with; ***Complied with and noted for compliance.***

ARIHANT CAPITAL MARKETS LTD.
MERCHANT BANKING DIVISION

Corporate Office : 901, Ground Floor, Building No. 9, Solitaire Corporate Park, Guru Hargovindji Road, Chakala, Andheri (East), Mumbai - 400093
• Tel.: +91-22-4225 4800 • E-mail : mbd@arihantcapital.com • Website : www.arihantcapital.com

Registered Office : 6, Lad Colony, Y. N. Road, Indore - 452001 • CIN : L66120MP1992PLC007182

ISO 9001:2015 CERTIFIED COMPANY

- c) the material disclosures made in the Draft Red Herring Prospectus are true, fair and adequate to enable the investors to make a well informed decision as to the investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 2013, applicable provisions of the Companies Act, 1956, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable legal requirements. ***Complied with and noted for compliance.***
3. We confirm that besides ourselves, all the intermediaries named in the Draft Red Herring Prospectus are registered with the Securities and Exchange Board of India (the “Board”) and that till date such registration is valid. ***Complied with and noted for compliance.***
4. We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments – ***Noted for compliance.***
5. We certify that written consent from promoter has been obtained for inclusion of their specified securities as part of promoters’ contribution subject to lock-in and the specified securities proposed to form part of promoter’s contribution subject to lock-in shall not be disposed/sold/ transferred by the promoter during the period starting from the date of filing the Draft Red Herring Prospectus with the Board till the date of commencement of lock-in period as stated in the Draft Red Herring Prospectus. ***Complied with to the extent applicable and noted for compliance.***
6. All applicable provisions of the SEBI ICDR Regulations which relate to specified securities ineligible for computation of promoters’ contribution, have been and shall be duly complied with and appropriate disclosures as to compliance with the SEBI ICDR Regulations have been made in the Draft Red Herring Prospectus. ***Complied with to the extent applicable and noted for compliance.***
7. All applicable provisions of the SEBI ICDR Regulations which relate to receipt of promoters’ contribution prior to opening of the issue, shall be complied with. Arrangements have been made to ensure that the promoters’ contribution shall be received at least one day before the opening of the issue and that the auditors’ certificate to this effect shall be duly submitted to the Exchange. We further confirm that arrangements have been made to ensure that the promoters’ contribution shall be kept in an escrow account with a scheduled commercial bank and shall be released to the issuer along with the proceeds of the issue. – ***Not Applicable***
8. Necessary arrangements shall be made to ensure that the monies received pursuant to the issue are credited or transferred to in a separate bank account as per the provisions of sub-Section (3) of section 40 of the Companies Act, 2013 and that such monies shall be released by the said bank only after permission is obtained from all the stock exchanges, and that the agreement entered into between the bankers to the issue and the issuer specifically contains this condition – ***Noted for compliance***
9. The existing business as well as any new business of the issuer for which the funds are being raised fall within the ‘main objects’ in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried in the last ten years are valid in terms of the object clause of the Memorandum of Association. ***Complied with to the extent applicable.***

10. We certify that the following disclosures have been made in the Draft Red Herring Prospectus:

- a. an undertaking from the issuer that at any given time, there shall be only one denomination for the equity shares of the issuer. ***Complied with and noted for compliance. There are no SR equity shares issued by the Company.***
- b. an undertaking from the issuer that it shall comply with such disclosure and accounting norms specified by the board from time to time. ***Complied with and noted for compliance.***

11. We undertake to comply with the regulations pertaining to advertisement in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 while making the issue. - ***Noted for compliance.***

12. We enclose a note explaining the process of due diligence that has been exercised by us including in relation to the business of the issuer, the risks in relation to the business and that the related party transactions entered into for the period disclosed in the offer document have been entered into by the issuer in accordance with applicable laws.

13. We enclose a checklist confirming regulation-wise compliance with the applicable provisions of these regulations, containing details such as the regulation number, its text, the status of compliance, page number of the draft offer document where the regulation has been complied with and our comments, if any.

For **ARIHANT CAPITAL MARKETS LIMITED**



SATISH KUMAR PADMANABHAN
HEAD COMPLIANCE- MERCHANT BANKING

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DUE DILIGENCE PROCESS NOTE

We have carried out due diligence exercise on **ISSPL Limited** (“**ISSPL**” or the “**Company**” or the “**Issuer**”) for the purposes of complying with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) and other applicable laws, and to the extent that is customary for initial public offerings on SME platform of Stock Exchange in India, along with other professionals and experts engaged in this Initial Public Offer (IPO). All capitalized terms used herein and not specifically defined shall have the same meanings ascribed to such terms in the draft red herring prospectus dated September 10, 2026 (the “**DRHP**” or the “**Draft Red Herring Prospectus**”).

The due diligence process carried out by us and the Legal Advisor (as defined below) commenced with interactions with Directors, Key Managerial Personnel and Senior Management Personnel of the Company to gain an understanding of the business of the Company, key risks involved and financial overview, among other matters. In this regard, we provided the Company with a due diligence questionnaire and information request list. In response to the questionnaire and the information requisition list, the Company provided us with supporting documents in accordance with the questionnaire for our review and gave us clarifications and explanations for our queries.

Rajani Associates, Advocates and Solicitors has been appointed as the legal advisor to the Issue (“**Legal Advisor**”). We were also assisted by the current statutory auditor of the Company, PKF Sridhar & Santhanam LLP (“**Statutory Auditor**”), in the financial due diligence. In addition, the PCS Report has been issued by the Practicing Company Secretary, CS Rupali Sawant as part of the secretarial due diligence. Further, the Auditor has provided a statement of possible special tax benefits to the Company and its shareholders, and has verified and certified certain matters relating to, inter alia, the financial performance of the Company and certain other matters arising during Due Diligence.

1. Business and Commercial Diligence

The due diligence process in relation to general business and commercial matters included:

- a. Organizing and attending kick-off discussion to develop an understanding of the business, history and other matters of the Company and the industry overview and the regulatory environment, which were attended by Directors, certain members of senior management of the Company, our team and the Auditor. A broad overview of the business of the Company, the industry in which they operate, the regulatory framework with respect to the business, the corporate structure, the capital structure, financial information and shareholding pattern of the Company were presented, followed by interactive discussions.
- b. Regularly interacting with the Company’s senior management, including with the directors as well as other personnel from the Company’s secretarial and finance departments, certain professionals engaged by the Company and Auditor for the purpose of gaining an understanding about the business, the risks involved and the financial overview of the Company, among other matters.

- c. Requesting the Company to provide documents based on the requirements under the SEBI ICDR Regulations, reviewing those due diligence documents made available to us by the company in a virtual data room and reviewing those documents to comply with the diligence requirements as stipulated under the SEBI ICDR Regulations, and the other applicable laws, as is customary in such transactions.
- d. Virtual as well as in-person interactions were also held with the Key Managerial Personnel and other professionals authorized by the Company to understand the Company's day to day operations, key business processes, aspects relating to the key performance indicators of the Company and to verify the disclosures being made in the DRHP.
- e. Obtaining certificates, confirmations, formal representations and undertakings from the Company, its Directors, Key Managerial Personnel, the Promoter, the Auditor, the Practicing Company Secretary and other documents in support of certain disclosures made in the DRHP.
- f. Reviewing certain business-related documents pertaining to the Company, including (a) invoices and acknowledgement towards bid / tender application on a sample basis and (b) various internal policies pertaining to its operations, as adopted and implemented by the Company
- g. We have undertaken various visits to the registered office of the Company at Powai, Mumbai and have also visited the Coal Testing Laboratory of the company at Bhubaneswar, Odisha, Testing Laboratory at Jaipur, Rajasthan and Geological & Metallurgical Laboratories (GML) at Bengaluru, Karnataka.

2. Industry Information

The Company operates in the business of providing testing, inspection and certification ("**TIC**") and related technical services to clients across various industries in India and overseas. The industry-related information contained in the industry section is derived from the report titled "**Third Party Testing, Inspection & Certification (TIC) Services**" dated August 2026, prepared and issued by Dun & Bradstreet (D&B), commissioned by and paid for by our Company pursuant to engagement letter with Dun and Bradstreet Information Services India Private Limited dated March 17, 2026, exclusively for the purposes of the Issue.

3. Business Overview

We had discussions with the directors, KMP, SMP and other personnels of the Company to understand the business model of the Company, its customer base, broad operating parameters and Key Performance Indicators that the management uses to monitor the growth and efficiency of the business. The directors also explained about the growth potential of the business, broader segments, and the capabilities of the Company to exploit the opportunities available especially in testing, inspection and certification ("**TIC**") and related technical services. Based on our understanding of the business model and discussions, the KPIs were finalized and disclosed in DRHP along with other relevant parts of business strengths and strategy. Competitive landscape was explained based on relatability of business model, product/ segment relatability and proximity of size to the extent possible.

4. Objects of the Issue

The Company intends to utilise the Net Proceeds of the IPO, inter alia, towards the following objects:

1. Funding capital expenditure towards

- Construction of a Greenfield Laboratory Building at the existing Geological and Metallurgical Laboratories ("GML") Campus, Bengaluru.
- Establishment of a Solar PV Module Testing Laboratory.
- Establishment of an Electrical Home Appliance Testing Laboratory.
- Scope Extension and Technical Upgradation of the existing GML Laboratory.
- Upgradation / expansion in Civil Non-Destructive Testing (CNDT) division
- Upgradation / expansion in Advanced Non-Destructive Testing (ANDT) division

2. Repayment of outstanding loans

3. General Corporate purpose

(Collectively, referred to herein as the "**Objects**")

With respect to the proposed capital expenditure, the Company has provided us with comparative quotations received from the respective vendors. As part of our due diligence, we have obtained and reviewed the profiles and financial statements of the relevant vendors. We also conducted telephonic discussions with the vendors and obtained confirmations through email correspondence regarding their business activities. The information and documents provided by the vendors were reviewed for the purpose of assessing their background, financial standing and the nature of their business relationship with the Company.

In relation to the object of repayment of outstanding borrowings, we have obtained certificates dated September 10, from the Statutory Auditor of the Company, certifying the aggregate outstanding borrowings of the Company as on June 30, 2026 and a certificate certifying that the borrowings have been utilised towards the purposes for which the borrowings were availed. Further, we have also obtained sanction letters, latest bank statements and No Objection Letter ("NOC") from the lender(s) for repayment of the borrowings.

5. Outstanding Litigation Proceedings and Material Creditors

The Company has disclosed outstanding litigations in accordance with the SEBI ICDR Regulations and the policy on materiality approved by the Board of Directors vide resolution dated July 28, 2026 ("**Materiality Policy**"). We have also obtained a litigation certificate from the legal advisor confirming the outstanding litigations disclosed in the Offer Documents

6. Directors, Key Managerial Personnel, Promoter and Promoter Group

For the purpose of making certain disclosures pertaining to the Directors, Key Managerial Personnel and Promoter, we have obtained certifications from the relevant entities/ persons.

For the purposes of disclosure of the educational qualifications and professional experience of Directors and Key Managerial Personnel of the Company, we have relied on relevant degree certificates, experience certificates, signed resumes, and other back-up documents.

We have received confirmation from the Company, the Directors and the Promoter, stating that they have not been debarred or prohibited from accessing the capital markets or from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other authority/court. In addition, we have received confirmation from the Company, Promoter and the Directors, stating that they have not been categorized as wilful defaulters as per the definition in SEBI ICDR Regulations. We have also received confirmation from the Company that none of its Promoter or Directors are 'fugitive economic offenders' as per the definition in SEBI ICDR Regulations.

The Company does not have any natural persons or body corporates who are part of their Promoter Group in terms of Regulations 2(1)(pp) of SEBI ICDR Regulations.

7. Financial Information of the Company and Financial Indebtedness

We conducted due diligence on financial matters, which included calls and meetings with the Auditor and the finance team of the Company, review of the Auditor's reports and other related documents. The Auditor provided the consolidated Restated Financial Statements of the Company, which comprise of the restated financial statements of the Company for the years ended March 31, 2024, March 31, 2025 and March 31, 2026, together with the annexures, schedules and notes thereto, which have been audited and prepared in accordance with the Companies Act, the Generally Accepted Accounting Principles and Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI, and restated in accordance with the SEBI ICDR Regulations (together, the "Restated Financial Statements").

The DRHP includes the consolidated Restated Financial Statements of the Company and the examination report issued thereon by the Auditor. We have also obtained certifications with respect to certain information included in the DRHP from the Auditor.

Further, the Auditor was required to review the financial information relating to the Company in the DRHP and have delivered customary comfort letter to the BRLM confirming the accuracy of such financial information contained in the DRHP. Such comfort letters will be re-issued as the IPO progresses, by the Auditor prior to the filing of the RHP, the Prospectus and the Allotment of Equity Shares in the Issue.

In addition, as per the requirements of the SEBI ICDR Regulations, the Company has undertaken to upload the audited financial statements of the Company and financial information of the subsidiary for past three fiscals on its website.

We also conducted a due diligence exercise of all outstanding financial indebtedness of the Company, and such information has been disclosed in summarised form in the section titled "Financial Indebtedness" of the DRHP. In this connection, the relevant ROC forms were reviewed. The Company has also received consent from relevant lender, granting the Company written consent to undertake the Initial Public Offer.

8. Statutory and/or Regulatory and Other Diligence

Rajani Associates Advocates and Solicitors, the Legal Counsel to the Issue have provided us with details of the outstanding litigations and accordingly appropriate disclosures have been made in the DRHP.

We, along with the Legal Counsel, have also regularly interacted with the officials of the Company to understand the material approvals that are required to be obtained by the Company to carry out its business, including with respect to the manufacturing facilities of the Company.

The Company has also summarized in the DRHP the type of material approval required for carrying on its business operations. The description of the material approvals required for the business operations, along with details of approvals in respect of which applications have been made has been disclosed in the DRHP. We have appropriately disclosed details of such approvals in the sections titled "Government and Other Approvals" and "Risk Factors".

Based on the review of these documents, our discussions with the Directors and other senior management personnel / professionals authorized by the Company, we have assessed the various disclosure requirements under the SEBI Regulations. Accordingly, the DRHP has been drawn up, including the risk factors. The disclosures in the DRHP have been checked to generally ensure that statements therein have a reasonable source such as to provide sufficient grounds for the belief that all material statements in the document were true and not misleading and that there were no material omissions.

For **Arihant Capital Markets Limited**
(SEBI REGISTRATION No.: INM000011070)



SATISH KUMAR PADMANABHAN
COMPLIANCE HEAD - MERCHANT BANKING