

Subject: Reply to Observation regarding non-submission of Certificate of Utilisation of Proceeds and Certificate of Working Capital under Regulation 262 of SEBI (ICDR) Regulations, 2018

Dear Sir / Madam,

This has reference to your observation stating that the Certificate of Utilisation of Proceeds and of Working Capital, as required under Regulation 262 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, has not been submitted.

In this regard, we respectfully submit that the said certificates were inadvertently omitted at the time of submission due to an oversight.

We hereby confirm that the required Certificate of Utilisation of Proceeds and of Working Capital, duly certified by the Statutory Auditor, have now been obtained and are enclosed herewith.

We request you to kindly take the above submission and enclosed certificates on record.

Thanking you,
Yours faithfully,

For ARC Insulation & Insulators Limited

ARC Insulation & Insulators Limited



Director

Manish Bajoria
Managing Director
DIN: 02203237

Date: 04.02.2026

Place: Kolkata

ARC Insulation & Insulators Ltd.
(Formerly Known as ARC Insulation & Insulators Pvt. Ltd.)

Work Address:

Village Ramdevpur, P.O.: Bawali, P.S.: Bishnupur,
Dis.: 24 Pgs. (S), Pin: 743 384, West Bengal





To,

The Board of Directors
ARC INSULATION & INSULATORS LIMITED
Village Ramdevpur, PO- Bawali Bishnupur2,
24 Parganas South, Bishnupur, Bawali,
South 24 Parganas, Budge Budge - II,
West Bengal, India, 700137

Certification on the Statement of utilization of funds raised through Initial Public Offer (IPO) as on 30th September 2025.

1. This certificate is issued upon request of ARC Insulation & Insulators Limited and after verification of documents and information provided before us.
2. The accompanying statement of utilization of funds raised through Initial Public Offer (IPO) as given in Annexure A ("the Statement") is certified by management and is initialed by us is attached herewith.

Management's Responsibility

3. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring adherence that the details in the statement are correct.

Practitioner's Responsibility

5. We have verified the books of account and other relevant records of ARC Insulation & Insulators Limited ("Company"), as at 30th September 2025 in connection with its Initial Public offer vide its Prospectus and utilization of the Offer Proceeds as per the objects of the Offer given in the said Prospectus.
6. We have verified the details of the utilization of the of funds raised through Initial Public Offer (IPO) submitted by the Company are as per "Annexure A" to this certificate, initialed by us for identification purposes only, based on the books of account and relevant records referred to in paragraph 5 above. We have agreed the amounts included in the Annexure with the books of account and relevant records of the Company as at 30th September 2025. We have verified the accuracy of the Annexure. Our responsibility is to verify the factual accuracy of the facts stated in Annexure A.
7. It is our responsibility to provide reasonable assurance that the amounts in the Statement that form part of the of utilization of funds raised through Initial Public Offer (IPO) has been correctly extracted from the Books of Accounts as on 30th September 2025; and the utilization of proceeds of the Fresh Issue is in line with the chapter titled 'Objects of the Offer' mentioned in the Prospectus and there is no deviation other than mentioned in Annexure A, if any.
8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the Ethics issued by the Institute of Chartered Accountants of India.





9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. We hereby declare that this report is based on the format as prescribed by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. We further declare that this report provides true and fair view of the utilization of Offer Proceeds of the IPO offer of the Company.
11. We declare that we do not have any direct / indirect interest in or relationship with the issuer/promoters/directors/management and also confirm that we do not perceive any conflict of interest in such relationship / interest while monitoring and reporting the utilization of issue proceeds by the issuer.

Opinion

12. On the basis of the books of account and relevant records, information and explanations provided to us and representation from the management of the Company, we certify the utilization of the Offer Proceeds more particularly as described in the Red Herring Prospectus and the Prospectus as given in the accompanying "Annexure A" and there is no deviation other than mentioned in Annexure A, if any.

Restriction on Use

13. This certificate is furnished solely for submission to National Stock Exchange (NSE), and is not to be used for any other purpose or to be distributed to any other parties without our prior written consent.

For Jay Gupta & Associates
(Erstwhile Gupta Agarwal & Associates)
Chartered Accountants
Firm Registration No - 329001E


Jay Shanker Gupta (Partner)
Membership No - 059535
UDIN: 26059535FXZKWZ1605
Place: Kolkata
Date: February 03, 2026





Sr. No	Item Head	Amount as proposed in the Offer Document (Amount Rs. In Lakhs)	Amount utilized (Amount Rs. In Lakhs)	Total Un-utilised amount (Amount Rs. In Lakhs)*
			Till September 30, 2025	
1	Capital Expenditure towards set up of New Manufacturing unit	815.67	-	815.67
2	Purchase of New Office Space*	305.64	222.34	83.30
3	Repayment/Pre-payment of Certain Debt Facilities	118.30	106.14	12.16
4	Working Capital Requirements**	1,634.61	272.92	1,361.69
5	General Corporate Purposes	293.82	7.70	286.12
	Total	3,168.04	609.10	2,558.94

*The Company had availed a loan from Kotak Mahindra Bank for purchase of office premises prior to the IPO, which was subsequently repaid from the IPO proceeds as bridge financing.

**The Company did not establish a new manufacturing unit as disclosed in the Offer Document and instead utilized the IPO proceeds for working capital purposes of its existing unit.

Note:

(1) The above-mentioned unutilized portion of the Initial Public Offer proceeds has been deposited with commercial scheduled banks as follows:

Sl. No.	Particulars	Amount (Rs. In Lakhs)
1.	Liquid Fixed Deposits with State Bank of India	2472.00
2.	Escrow Account in Axis Bank	26.33
3.	Cash-Credit/Overdraft Account in State Bank of India	60.61

For Jay Gupta & Associates
(Erstwhile Gupta Agarwal & Associates)
Chartered Accountants
Firm Registration No - 3290011

Jay Shanker Gupta
(Partner)

Membership No-059535
UDIN: 26059535FXZKWZ1605

Place: Kolkata

Date: February 03, 2026

