Report in relation to objects of the Issue – Working Capital

Date: September 15, 2026

To,
The Board of Directors,
ArMee Infotech Limited
ArMee House, 17, Goyal Intercity,
Row House Thaltej, Thaltej Road,
Ahmedabad, Gujarat - 380054, India.
(the **"Company")**

Khandwala Securities Limited
G-II, Ground Floor, Dalamal House,
Nariman Point, Mumbai - 400 021,
Maharashtra, India.

Saffron Capital Advisors Private Limited
605, Center Point, 6th floor,
Andheri Kurla Road, J. B. Nagar,
Andheri (East), Mumbai - 400 059,
Maharashtra, India.

(Khandwala Securities Limited and Saffron Capital Advisors Private Limited are hereinafter referred to as the "**BRLMs / Book Running Lead Managers")**

Sub: Proposed initial public offering of equity shares of face value of ₹ 10 each (the "Equity Shares" and such offering, the "Issue") of 'ArMee Infotech Limited' (the "Company")

1. The report is issued in accordance with the terms of the engagement letter dated September 06, 2025 with the Company.

2. The report states the details of the Performance Bank Guarantees ("**PBGs**") as at March 31, 2026, March 31, 2025, and March 31, 2024.

3. The report states the details of working capital requirement as at March 31, 2026, March 31, 2025, and March 31, 2024 as well as the estimated working capital requirement for Fiscal 2027 and the proposed funding of such working capital requirements based on board resolution dated August 18, 2026 approving the prospective financial statements.

Management Responsibility

4. The preparation of the information in this report is the responsibility of the management of the Company ("**Management**") including the preparation and maintenance of all accounting and the other relevant supporting records and documents. The responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation; and making estimates that are reasonable in the circumstances.

5. The Management is also responsible for ensuring that the Company complies with the requirements of the SEBI ICDR Regulations.

Auditor's Responsibility for the Statement

6. We conducted the examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("**Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

7. 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.

8. Accordingly, we have obtained and verified the following:

   (a) Restated Standalone Financial Statements as at the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024;

   (b) Working for the PBG requirements and existing working capital requirements prepared by the Company for the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024 based on the Restated Standalone Financial Statements.

   (c) Accounting records, minutes of the meeting of board of directors of the Company, the books of account of the Company, the bank statements of the Company, other relevant documents, other records available with the management of the Company for the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024;

   (d) Board resolution dated August 18, 2026 approving the prospective financial information, business plan and financial estimations of the Company for the year ending March 31, 2027 and other relevant documentation in connection with the working capital requirements of the Company for the year ending March 31, 2027. We have not provided any assurance or services related to prospective financial information and have verified only arithmetical accuracy of the data that has been extracted from the prospective financial information approved in the board meeting.

Opinion

9. We have reviewed the restated standalone financial statements of the Company for the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024 prepared in accordance with the Companies Act, 2013, as applicable and the Indian Accounting Standards (as referred to in and notified by the Companies (Indian Accounting Standards) Rules, 2015), as applicable (together the "**Restated Standalone Financial Statements**"), and the report issued thereon.

(i) Funds for the purpose of securing PBGs for expansion of business.

10. Based on the above procedures, information and explanations provided by the management of the Company, we confirm the following details pertaining to the Company's PBG requirements:

(₹ in lakhs)

Particulars	Fiscal Year 2026	Fiscal Year 2025	Fiscal Year 2024
Contract value of projects awarded where PBGs were advanced	64,667.32	31,442.55	115,127.44
PBGs issued	1,531.84	2,059.11	6,107.58*
PBGs as a % of order value of projects awarded where PBGs were advanced	2.37%**	6.55%	5.31%*

** In Fiscals 2024 Acer's bankers had advanced certain PBG limits to the Company's bankers in connection with some of the projects. These PBG limits amounted to ₹4,136.08 lakhs for an order worth ₹70,102.91 lakhs in Fiscal 2024. The value of assets which Acer's bankers had taken as collateral or security to advance PBG limits to the Company's bankers, being the assets of a third-party, are not reflected in the Company's Audited Financial Statements.*

***During Fiscal 2026, the Company issued Performance Bank Guarantees ("PBGs") aggregating to ₹1,531.84 lakhs. Of this, PBGs amounting to ₹1,406.84 lakhs were issued in relation to the Company's IT Infrastructure business against an order value of ₹26,507.32 lakhs, representing 5.31% of the corresponding order value. Further, PBG amounting to ₹125.00 lakhs was issued in relation to one of the Company's*

Power Purchase Agreement ("PPA") projects against an order value of ₹38,160.00 lakhs, representing 0.33% of the corresponding order value

11. We further confirm the following details with respect to the Company's revenues and PBGs

(in ₹ lakhs, except for percentages)

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024**
Total Revenue	1,45,583.33	1,29,394.25	1,00,452.26
Fixed Deposits towards Bank Guarantee*	3,805.16	2,730.59	2,541.18
Fixed Deposits towards Bank Guarantee as a percentage of revenue	2.61%	2.11%	2.53%

Note:
Fund blocked as margin does not include tangible assets and fund requirement for PBG advanced by Acer's banker

** In Fiscals 2024, Acer's bankers had advanced certain PBG limits to the Company's bankers in connection with some of the projects. These PBG limits amounted to ₹4,136.08 lakhs for an order worth ₹70,102.91 lakhs in Fiscal 2024. The value of assets which Acer's bankers had taken as collateral or security to advance PBG limits to the Company's bankers, being the assets of a third-party, are not reflected in the Company's Audited Financial Statements.*

12. We further confirm the following details with respect to the Company's order values and PBGs:

(₹ in lakhs)

Period	Revenue from Operations*	Outstanding Order Book*	Incremental addition to Order Book*	Incremental Order to Revenue Ratio	Total Government Order Received*	Order Value Where PBG is Given*	Amount of PBG	% of PBG to Order Value
Fiscal Year 2024(1)	1,00,452.26	68,313.05	1,23,501.81	1.23	1,16,005.23	1,15,127.44	6,107.58	5.31%
Fiscal Year 2025	1,29,394.25	52,843.01	1,13,924.20	0.88	31,813.64	31,442.55	2,059.11	6.55%
Fiscal Year 2026	1,45,583.33	1,19,606.02	2,17,200.23	1.49	77,612.21	64,667.32	1,531.84	2.37%
Total	3,75,429.84	2,40,762.08	4,54,626.24	1.21	2,25,431.08	2,11,237.31	9,698.53	4.59%

** All figures are excluding applicable GST.*

Notes:

(1) In Fiscals 2024, Acer's bankers had advanced certain PBG limits to the Company's bankers in connection with some of the projects. These PBG limits amounted to ₹4,136.08 lakhs for an order worth ₹70,102.91 lakhs in Fiscal 2024. The value of assets which Acer's bankers had taken as collateral or security to advance PBG limits to the Company's bankers, being the assets of a third-party, are not reflected in the Company's Audited Financial Statements.

Working Capital Requirements

13. Based on the above procedures, information and explanations provided by the management of the Company we confirm the details of Company's existing working capital as per the Restated Standalone Financial Statement as for the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024 and the working capital requirements of the same, as provided in the table below:

(₹ in lakhs)

	(Standalone)				
	As at March 31, 2026			As at March 31, 2025	As at March 31, 2024
	Renewable Energy Space	IT Infrastructure Solutions and IT Managed Solutions	Total	IT Infrastructure Solutions and IT Managed Solutions	IT Infrastructure Solutions and IT Managed Solutions
Particulars					
Current assets					
Inventories	19.50	1,412.70	1,432.20	7,835.16	3,534.17
Trade receivables (Billed) and Other financial assets (unbilled revenue portion)	19,973.24	48,091.01	68,064.25	60,168.40	50,101.33
Other Current Assets	311.10	1,914.22	2,225.32	1,661.42	4,042.54
Other Financial Assets					
Other Financial Assets including Loans(excluding cash and Cash equivalents, bank deposits and other bank balances)	-	963.55	963.55	736.07	852.25
Non-Current Financial Assets *					
Non-Current Trade Receivable and Other Non-current Financial Assets (unbilled revenue portion)*	-	3,601.24	3,601.24	4,501.68	1,271.50
Total current assets (A)	**20,303.84**	**55,982.72**	**76,286.56**	**74,902.73**	**59,801.79**
Current liabilities					
Financial liabilities					
Trade payables	15,633.90	37,296.31	52,930.21	60,083.26	51,624.24
Other Financial and Current Liabilities (includes Provisions and Current Tax Liabilities) (Excluding lease liability)	3,143.43	3,473.94	6,617.37	1,447.36	1,552.44
Non-Current Liabilities- Unearned and Deferred Revenue and Provision for Claims and Contingencies**	-	1,027.05	1,027.05	1,145.03	867.49
Total current liabilities (B)	**18,777.33**	**41,797.30**	**60,574.63**	**62,675.65**	**54,044.17**
Net working capital requirements (C) (C=A-B) (excluding borrowings)	**1,526.51**	**14,185.42**	**15,711.93**	**12,277.08**	**5,757.62**
Existing funding pattern					
Short Term Borrowings			7,282.76	2,803.46	683.70
Internal Accruals			8,429.17	9,423.62	5,073.92
Total			**15,711.93**	**12,277.08**	**5,757.62**

**Non-Current Financial Assets being margin money and trade receivables is considered as current assets for the purpose of determining working capital requirements.*

***Non-Current Liabilities being unearned and deferred revenue and provision for claim and contingencies are considered as current liabilities assets for the purpose of determining working capital requirements.*

 # Conventional way of calculation of Working Capital for a manufacturing business/ service industry is Current Asset less Current Liabilities. Basis the peculiar nature of the business of the Company and the understanding we got from the management in consultation with BRLMs we have calculated Working Capital as above which gives a more accurate and realistic view as per the Company of its working capital requirements.

14. On the basis of existing and estimated working capital requirement of the Company on a standalone basis, and assumptions for such working capital requirements, the Board pursuant to its resolution dated August 18, 2026 has approved the estimated working capital requirements for Fiscal 2027 and the proposed funding of such working capital requirements.
15. We have not provided any assurance or services related to prospective financial information and have verified only arithmetical accuracy of the data that has been extracted from the prospective financial information approved in the board meeting. Further, actual results are likely to be different from the forecast since anticipated events might not occur as expected and the variation might be material.

The following data has been extracted from the minutes of the aforesaid board meeting:

(₹ in lakhs)

Particulars	As at March 31 2027 (Estimated) (Standalone)		
	Renewable Energy Space	**IT Infrastrcuture Solutions and IT Managed Solutions**	**Total**
Current assets			
Inventories	3,500.00	4,526.21	8,026.21
Trade receivables (billed) and Other financial assets (unbilled revenue portion)	36,119.91	52,282.46	88,402.37
Other Current Assets	227.31	878.81	1,106.12
Other Financial Assets			
Other Financial Assets including Loans (excluding cash and Cash equivalents, bank deposits and other bank balances)	-	1,216.49	1,216.49
Non-Current Financial Assets *			
Non-Current Trade Receivable and Other Non-current Financial Assets (unbilled revenue portion)	-	2,875.06	2,875.06
Total current assets (A)	**39,847.22**	**61,779.03**	**1,01,626.25**
Current liabilities			
Financial liabilities			
Trade payables	22,885.33	41,946.80	64,832.14
Other Financial and Current Liabilities (includes Provisions and Current Tax Liabilities) (Excluding lease liability)	1,280.00	1,137.52	2,417.52
Non-Current Liabilities - Unearned and Deferred Revenue including Provisions for Claim and Contingencies**		908.51	908.51
Total current liabilities (B)	**24,165.33**	**43,992.83**	**68,158.17**
Net working capital requirements (C) (C=A-B) (excluding borrowings)	**15,681.88**	**17,786.20**	**33,468.08**
Funding pattern			
(a) Borrowings from Banks/financial institutions/promoters			17,500.00
(b) Proceeds from the Issue			6,000.00
(c) Internal Accruals/Equity			9,968.08
Total			**33,468.08**

	As at March 31 2027 (Estimated) (Standalone)		
	Renewable Energy Space	**IT Infrastrcuture Solutions and IT Managed Solutions**	**Total**
Particulars			
Working capital Ratios			
Trade Payable Days	71.00	111.00	92.00
Trade Receivables Days	111.00	138.00	126.00
Inventory Days	11.00	12.00	12.00

**Non-Current Assets being margin money and trade receivables is considered as current assets for the purpose of determining working capital requirements as recommended by BRLMs.*

***Non-Current Liabilities being unearned and deferred revenue and provision for claim and contingencies are considered as current liabilities assets for the purpose of determining working capital requirements as recommended by BRLMs.*

 # Conventional way of calculation of Working Capital for a manufacturing business/ service industry is Current Asset less Current Liabilities. Basis the peculiar nature of the business of the Company and understanding we got from the management in consultation with BRLMs we have calculated Working Capital as above which gives a more accurate and realistic view as per the Company of its working capital requirements.

16. The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024, as well as Estimated for the financial year ended March 31, 2027. We have not provided any assurance or services related to prospective financial information and have verified only arithmetical accuracy of the data that has been extracted from the prospective financial information approved in the board meeting. Further, actual results are likely to be different from the forecast since anticipated events might not occur as expected and the variation might be material.

Particulars	**For the Fiscal ended March 31, 2024 (Actual)**	**For the Fiscal ended March 31, 2025 (Actual)**	**For the Fiscal ended March 31, 2026 (Actual)**	**For the Fiscal ended March 31, 2027 (Estimated)**
Current assets				
(a) Inventory	13	23	4	12
(b) Trade receivables (billed) and Other financial assets (unbilled revenue portion)	183	170	171	126
(c) Other Current Assets	15	5	6	2
Other Financial Assets				
(d) Other Financial Assets including Loans (excluding cash and Cash equivalents, bank deposits and other bank balances)	4	2	3	2
(e) Non-Current Trade Receivable and Other Non-current Financial Assets (unbilled revenue portion)	5	13	10	5
Current liabilities				
(a) Trade Payables	188	170	133	92
(b) Other Financial and Current Liabilities (includes Provisions and Current Tax Liabilities) (Excluding lease liability)	6	5	17	4
(c) Non-Current Liabilities - Unearned and Deferred Revenue including Provisions for Claim and Contingencies	4	4	3	2

Notes:

(1) Holding period (in days) is calculated as respective current asset or current liability divided by revenue from operations multiplied by number of days (see note 2 below). Estimated holding days for Fiscal 2024, 2025, 2026 and Fiscal 2027 have been rounded to the nearest number.

(2) The holding period has been computed over three hundred sixty-five (365) days for each fiscal year.

17. Key parameters used in the working capital requirement of the Company are as follows:

(₹ in lakh)

Particulars	Fiscal 2024	Fiscal 2025	Fiscal 2026
	(Actual)		
Revenue from Operations	100,452.26	1,29,394.25	1,45,583.33
Working capital*	5,757.62	12,277.08	15,711.93
Percentage of working capital to revenue	5.73%	9.49%	10.79%
Growth in revenue from operations	99.83%	28.81%	12.51%

** Conventional way of calculation of Working Capital for a manufacturing business/ service industry is Current Asset less Current Liabilities. Basis the peculiar nature of the business of the Company and understanding we got from the management in consultation with BRLMs we have calculated Working Capital as above which gives a more accurate and realistic view as per the Company of it's working capital requirements*

18. The working capital estimations made by the Company pursuant to the resolution mentioned above are based on the following key assumptions as approved by the board of directors in the board meeting held on August 18, 2026:

Sr. No.	Particulars	Assumptions
1.	Inventories	The inventory levels of the Company are primarily driven by the requirements of ongoing projects. Company maintain inventory based on the requirements of the Company's ongoing projects. Going forward, Company will need to maintain additional inventory for projects under solar energy in the solar energy in the Renewable energy sector and for Experience Zones as well. As of June 30, 2026, Order Book stands at ₹ 2,66,344.35 lakhs and with the anticipated addition of new projects which we may obtain, company have estimated a strategic adjustment in inventory levels for the coming years. Accordingly, we plan to maintain an inventory level equivalent to approximately 12 days of operational requirements in Fiscal 2027.
2.	Trade receivables (billed) and Other financial assets (unbilled revenue portion)	Other financial assets (unbilled revenue) primarily accrues from projects having Government and PSU clients, where the company has completed certain milestones but is in the process of issuing corresponding invoices. Company is an IT infrastructure and IT managed services Company and have ventures into the retail sales space through Experience Zones and have recently commenced operation in the renewable energy sector including EPC of Solar Power projects and development of solar power projects under PPAs. As the Company continues to scale its operations across its lines of business, it expects to manage a blended trade receivable cycle that balances both shorter and longer receivable cycles based on its operational requirements and market conditions. The company is determined to improve financial discipline in the area of trade receivables and has targeted to bring it down to 126 Days for Fiscal 2027.
3.	Other Financial Assets including Loans (excluding cash and Cash equivalents, bank deposits and other bank balances)	Other Financial assets mainly comprise of security deposits and interest accrued on FDs etc.
4.	Non-Current Trade Receivable and Other Non-current Financial Assets (unbilled revenue portion)	The Company is servicing several projects where 5% of the total project value will be realized over a period of five years upon the satisfaction of certain performance obligations related to preventive maintenance services, as outlined in corresponding terms of contract. In accordance

Sr. No.	Particulars	Assumptions
		with Schedule III of the Companies Act, 2013, any portion of this receivable amount that is expected to be realized beyond 12 months from the applicable reporting date has and will be classified as a non-current asset.
5.	Trade Payables	Trade payable days for Fiscal 2025 and Fiscal 2026 stood at 170 days and 133 days respectively. In view of the nature of projects undertaken wherein receivable days were relatively long, the Company negotiated terms for longer payable cycle. the Company has ventures into renewable energy vide Solar EPC and Solar PPA projects wherein the Company has limited track record and hence is offered shorter credit period. In line with the business dynamics and to improve financial discipline in the area of Trade Payables and the Company has targeted to bring down trade payable days to 92 days in Fiscal 2027. As the Company continues to scale its operations across its lines of business, it expects to manage a blended trade payable cycle that balances both shorter and longer payment terms from various suppliers based on its operational requirements and market conditions.
6.	Other Financial and Current Liabilities (includes Provisions and Current Tax Liabilities) (Excluding lease liability)	It includes monies payable to employees, statutory liabilities, advances from customer, claim and contingencies, provision for gratuity and current tax liabilities. The company had maintained holding level of other financial liabilities, other current liabilities, current tax liabilities (net) and provision (excluding current lease liabilities) at 6 days in Fiscal 2024, 5 days in Fiscal 2025 and 17 days in Fiscal 2026. We would bring down the holding level to around 4 days in Fiscal 2027.

Usage of Report

19. This report is issued for the purpose of the Issue, and can be used, in full or part, for inclusion in the Red Herring Prospectus, and Prospectus and any other material used in connection with the Issue (together, the "**Issue Documents**")

20. This report may be relied on by the BRLMs and their affiliates in relation to the Issue and to assist the BRLMs in conducting and documenting their investigation and due diligence of the affairs of the Company in connection with the Issue.

Sincerely,

For Kantilal Patel & Co.
Chartered Accountants
Firm Registration No. 104744W

Jinal Arpit Patel

Digitally signed by Jinal Arpit Patel
DN: cn=Jinal Arpit Patel c=IN o=Personal
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Date: 2026-09-15 22:41+05:30

Jinal A. Patel
(Partner)
Membership No. 153599
Place: Ahmedabad
UDIN: 26153599EEJEPD7786